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Somalia Is Reported to Offer U.S. Access to Arabian Sea Base

By Richard Hallock

WASHINGTON, Dec. 23 (NYT) — Somali government has offered the United States access to the Soviet naval and air base at Berbera on the Arabian Sea, according to Somali, congressional and Defense Department officials.

Berbera is a focal point of a 100-mile State Department mission to gain permission to use bases in the United States could military power toward the East.

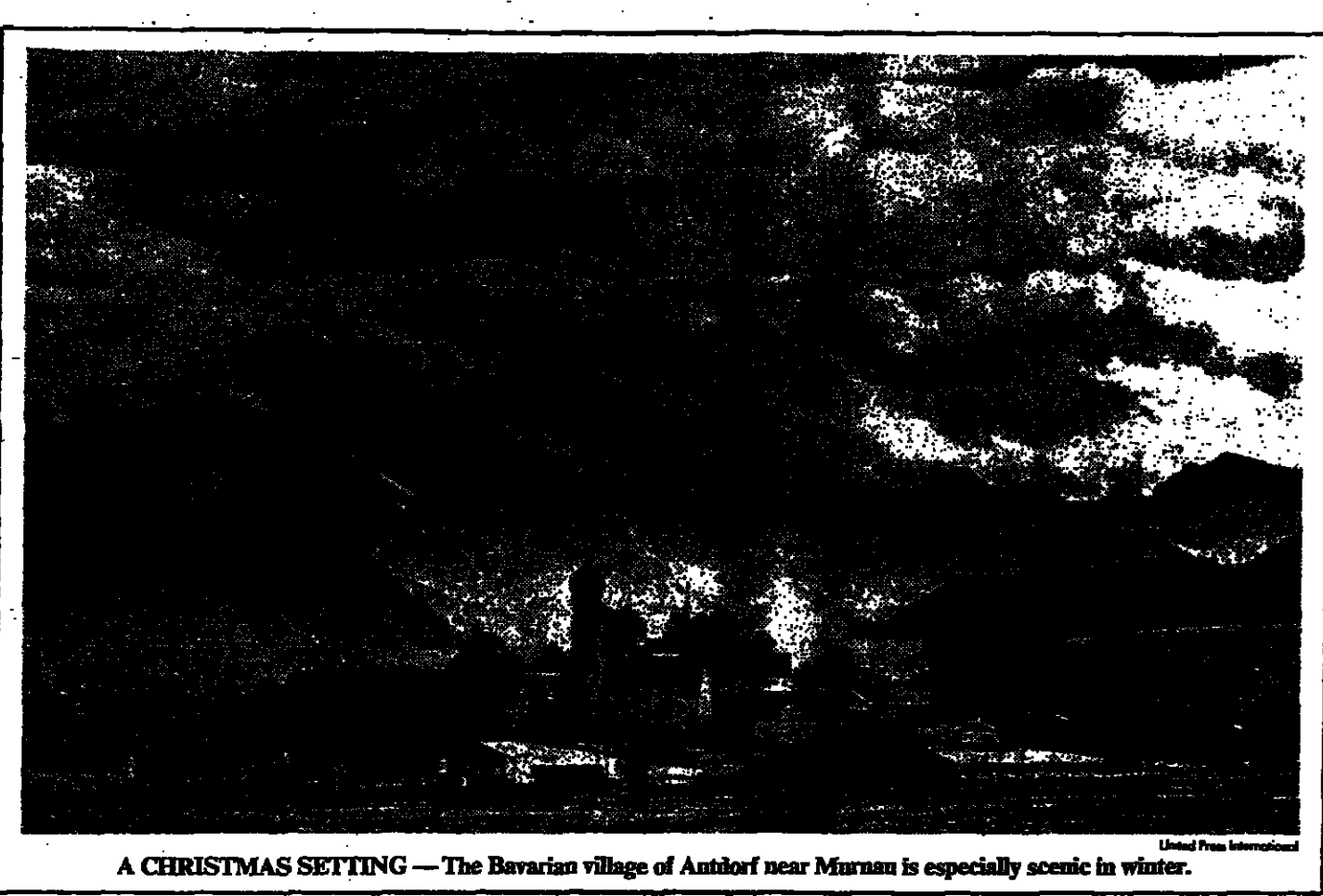
Berbera airfield has a 15,000-foot runway that could accommodate military transports carrying equipment and troops; fighters and large flying boats to supply them in the air; planes that could range from the Arabian Sea, up the Gulf of Aden, to the Indian Ocean, and 32 long-range bombers.

At the Berbera naval airfield could provide space for repair and tenders, the warehouses for storage and the oil tanks for storing aviation and ship trucks could accommodate shore party.

A Somali diplomat who refused his name said that President Jimmy Carter had made a decision because he wanted to see his nation closer to the West, to the United States.

Access to Berbera would enable the United States to support ships in the Red Sea, the Gulf of Aden, the Arabian Sea, the Gulf of India, the Indian Ocean, and the Pacific Ocean. It would add to the United States' naval base and airfield on Diego Garcia in the Indian Ocean, a support depot on Bahrain Gulf and an airfield in Turkey.

Diego Garcia, naval construction is completing a 10,000-foot runway, fuel tanks, and a communications station.



A CHRISTMAS SETTING — The Bavarian village of Antdorf near Murnau is especially scenic in winter.

Investigators Cannot Account for Missing Uranium

By David Burnham

WASHINGTON, Dec. 23 (NYT) — After an intensive three-month inquiry at a Tennessee nuclear facility, federal investigators have been unable to account for a missing quantity of highly enriched uranium that is large enough to make at least one atomic bomb.

The investigation, which began in September, was hampered by the fact that the plant's records were incomplete. The plant is owned by the Tennessee Valley Authority, a subsidiary of the Getty Oil Co.

The precise amount is classified, but it could be considerably more than 20 pounds. The plant has been closed since September, when the loss was discovered.

According to several government officials, the recommendation to revoke the license of the Erwin plant was made at a closed meeting of the Nuclear Regulatory Commission on Dec. 14 by the staff of the Office of Nuclear Materials and Safeguards. The commission is expected to make its final decision after being briefed by the Energy Department and the Navy.

William Dicks, the head of the nuclear safety office, confirmed yesterday that he had recommended that the license be revoked.

Longtime employees of the commission said that they believed that, if the recommendation were adopted, it would be the first time that the government had revoked the license of a major nuclear facility. A spokesman for the plant's managers had no comment on the recommendation.

The Erwin plant is one of 11 commercial facilities in the United States licensed to handle amounts of highly enriched uranium or plutonium that are large enough to make a bomb.

The highly enriched uranium and plutonium in these plants have been the subject of increasing concern because of the risk of the material being obtained by terrorists.

Thomas Cochran, a longtime critic of nuclear power, contends that the inability of the Erwin facility and other plants to keep track of the highly enriched uranium and plutonium "points to the impossibility of safeguarding special nuclear materials and being sure they have not been stolen from military or terrorist uses."

Mr. Cochran, a nuclear physicist with the Natural Resources Defense Council in Washington, charged further that the serious problems illustrated by the current investigation challenged the arguments for the development of the breeder reactor that would be powered mostly by plutonium.

The recommendation to revoke the Erwin facility's license was based in part on the plant's chronic failures to meet government requirements for keeping track of the uranium. According to nuclear commission records, the facility has been closed for inventory at least six times in the last 10 years after being unable to account for as much as 150 pounds of highly enriched uranium.

Iran Confident It Can Survive Sanction Effort

From Agency Dispatches

TEHRAN, Dec. 23 — Spokesmen for the Iranian government and the militants holding the U.S. Embassy expressed confidence yesterday that Iran can withstand any economic sanctions to pressure for the release of the 50 U.S. hostages here.

In Zahedan, a provincial capital in southeast Iran, troops moved in yesterday to end fighting between two Islamic sects that intensified threats to Ayatollah Ruhollah Khomeini's control of the country's border regions.

Of the prospect of UN sanctions against Iran, Finance Minister Abolhasan Bani-Sadr said yesterday: "We have already taken precautionary steps. We are going to buy what we need from other countries."

U.S. Warns Russia

President Carter announced Friday that he would seek UN-sponsored sanctions against Iran in response to Iran's intention to try to at least some of the embassy hostages for espionage.

The United States warned the Soviet Union yesterday that relations between the two countries would be severely impaired if Russia uses its veto in the UN to block sanctions against Iran.

Hassan Habibi, the official spokesman of the ruling Revolutionary Council, said Iran would participate in a UN Security Council debate on the imposition of economic sanctions, but only if Tehran were assured that no pre-arranged resolution was put before the council by the United States for rubber-stamp approval.

Iran's chief concern is food imports to feed its 36 million citizens. This includes the import of 20 percent of its wheat, a full third of the rice and sugar it consumes and 80 percent of its vegetable oil.

Until the revolution, most of those imports came from the United States. Iran now is getting most of its food elsewhere. The United States used to supply 500,000 tons of Louisiana rice to Iran annually. To counteract that loss, Iran has just agreed to buy 100,000 tons of rice from Thailand, which until this year supplied this country with between 30,000 and 50,000 tons.

Australia Sells Wheat

Similarly, Iran is shifting to Australia as a supplier of wheat and plans to buy 520,000 tons from there this year.

Morteza Movahedizadeh, managing director of the government trading corporation that purchases foodstuffs from abroad, said that Iran has enough basics on hand to withstand seven to 10 months of total blockade.

Mr. Bani-Sadr's determination was echoed by the militants who have held 50 Americans since Nov. 4. "We are not afraid of economic sanctions," said a spokesman for the militants. "Our nation can cope with them."

In Zahedan, where troops loyal to Ayatollah Khomeini arrived last night, masked snipers fired automatic weapons from rooftops killed a member of the ayatollah's revolutionary guard and wounded at least three, bringing the casualty total for the three days of fighting to 12 dead and 70 wounded.

The city remained tense last night as sporadic shooting and street-fighting persisted. Troops were sent to intervene in fighting between the

(Continued on Page 2, Col. 1)

Shift From Autonomy Would Affect Region

3. Fears Russia Seeks Mastery of Kabul

By Don Oberdorfer

WASHINGTON, Dec. 23 (WP) — United States expressed concern yesterday that the Soviet Union be in the process of changing Afghanistan from an autonomous state to a Moscow-controlled client, with serious implications in the already unstable region.

Major State Department officials said recent reports of a move on the Soviet side of the Afghan border as well as less extensive but more alarming reports of Soviet combat troops in Afghanistan itself.

In the two weeks since the militants have become clear, the United States has expressed concern at high levels on four occasions, the officials said. There was no report of the response.

The Soviet neighbors, Iran to the south and Pakistan to the east, are also concerned about the Soviet military role in the region.

The troops apparently were invited by the pro-Soviet regime of Hafizullah Amin.

The historically friendly relations between the Soviet Union and Afghanistan have become much closer since the April, 1978, coup that replaced the present ruling group in power. Three months ago, Mr. Amin ousted Nur Mohammed Taraki, the original coup leader. Taraki reportedly died after the insurrection.

On the Soviet side of the border, two divisions previously stationed there have been brought up to full strength and have moved out of their usual garrisons, the State Department official said. This force had been augmented by the equivalent of a third Soviet division made up of elements of several other units, the official added.

A Soviet headquarters unit for the Afghanistan border force also has been recently identified, officials said.

[Pravda today accused the United States of working to overthrow the

U.S. Urged to Revoke License of Nuclear Fuel Plant

By David Burnham

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Sanctions Would Tighten Credit Squeeze, Reduce Imports

U.S. to Try to Exacerbate Iran's Economic Problems

By John M. Goshko

WASHINGTON, Dec. 23 (WP) — In seeking United Nations economic sanctions against Iran, the United States is trying to increase its pressure on that country's revolutionary leaders by striking at the stomachs and pocketbooks of the 36 million Iranian people.

The decision to seek sanctions, announced on Friday by President Carter, is not grounded in expectations that the world community realistically can be marshalled behind a total trade and financial embargo that would destroy Iran's economy.

Instead, senior U.S. officials say, the aim is to produce a credit squeeze that will accelerate the import problems already besetting Iran in ways that will affect everything from the country's capacity to produce oil to its ability to provide food.

Such pressure will not necessarily bring Iran to its knees, the officials concede. But they contend that it will tighten the vice of unemployment, hardship and inconvenience in ways that could increase significantly the political divisions and unrest threatening Ayatollah Ruhollah Khomeini's control over the country.

The officials say that there already are signs that many Iranian leaders, particularly those charged with running the economy, are keenly aware of this possibility and would like to avoid it by resolving the crisis over the 50 American hostages in Tehran.

Whether they will be able to convey their concern to Ayatollah Khomeini in ways that will make him more flexible is still an open question, the U.S. officials admit. But, as one senior U.S. official says, given the Carter administration's determination to end the confrontation.

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No Direct Link

Officials said yesterday, as they have in the past, that no direct link exists between the Soviet moves in Afghanistan and the crisis between the United States and Iran. Some other officials have found evidence that the United States is under intense criticism in the Islamic world for its role in crushing a rebellion by an tribesmen in Afghanistan. A little noted and relatively unimportant factor in the Soviet Union's policy in Afghanistan is the United States' support for the Afghan resistance. The United States appears to be seeking to increase the cost to the Soviet Union of its policy in Afghanistan, and the world opinion, especially, was little hope expressed that the United States could stop the Soviet moves, nor was there any action by the United States.

Paris Universities Minister: Pushing Pendulum Back From May '68

By Jonathan Kandell

PARIS, Dec. 23 (NYT) — Well before the Christmas holidays, Alice Saunier-Seïte, the French minister of universities, was being described by her many critics as a dragon lady, "another whip" and a verbal terrorist. Acknowledging the abuse, she called herself the most insulted woman in France.

Now that the Christmas spirit is upon the country, her opponents are using epithets that the local press will not even print.

The cause for the latest outburst was an attempt by the minister and her supporters to would exclude students and most faculty members from voting in the election of university presidents — thus eliminating one of the key reforms to come out of the May, 1968, student revolt.

The National Assembly did in fact pass the bill on Dec. 10, to the embarrassment of many leftist legislators who later claimed that they were not fully aware of the proposed change. But the government decided last week that, because of the ensuing uproar, the bill would not be presented to the Senate for final approval for at least several months.

Rare Setback

It was one of the rare setbacks that Mrs. Saunier-Seïte has suffered during her four years as minister of universities. The rebuff is not likely to derail her crusade to roll back political activism on campuses and transform universities into centers of research with strong links to government and the business and professional community.

A Socialist legislator recently remarked that the minister was carrying out the sort of policies that were responsible for the explosion that took place in the universities in 1968. But Mrs. Saunier-Seïte, a 54-year-old widow, is at the helm of higher education precisely because few people in government and among the public at large believe that another campus explosion is possible nowadays.

The memories of 1968 are so dim that only 7 per-



Alice Saunier-Seïte

cent of Frenchmen think of the universities as centers of political revolt, according to recent polls. The same opinion surveys indicate that most people are concerned that the quality of education has dropped during the last decade, that campus discipline is lax and that universities are insulated from the real world of jobs and applied research.

When Mrs. Saunier-Seïte came into office in 1976, the changes wrought by university reform just about had run their course. Dozens of new universities had been created in the aftermath of 1968. Professors and students were allowed to elect their own administrative councils and largely determine their curricula. Enrollment had quadrupled to more than 850,000 students, while the staff had expanded fivefold to 44,000 teachers.

The rationale behind this explosive growth was that the university should cease to be an elite institution, and instead open its doors to wider segments of the population including youths from working class backgrounds. But universities in France — and in the rest of Western Europe where similar expansion programs took place — fell far short of their goals.

Working class youths still account for only 12 percent of French university enrollment and rarely more than 15 percent of the student body elsewhere in Europe. As a recent study by the Organization for Economic Cooperation and Development pointed out: "The increased formal accessibility to free higher education has not changed the social structure of the enrollment to any great extent. Students who take advantage of the increased opportunities are already in a favored position" — that is, members of the middle class.

The zeal for university reform was sapped further by the growing problem of unemployment that also affected university graduates. According to the International Labor Organization, "a university degree is fast becoming a ticket to nowhere."

Rector in Reins

Convinced that the pendulum was swinging away from social experimentation and radicalism, Mrs. Saunier-Seïte has gone about imposing changes on the university system with a style that combines a lot of bulldozing and a bit of guile.

She was selected for the post after a stint as rector of the Reims Academy, which oversees the educational system in several departments east of Paris. "Do not thank me — this is not going to be a lark," Jacques Chirac, then the prime minister, told her shortly before the swearing-in ceremonies on Jan. 12, 1976.

From the beginning of her tenure, Mrs. Saunier-Seïte has sought to divide university groups — the activist minority against the passive majority, stu-

dents against teachers and administrators, senior staff against nonstudent instructors.

Her first confrontation took place four days after she settled into her office, when she announced that, during the second half of their university studies, students would be offered courses designed to prepare them for jobs after graduation. "We want to end the image of the universities as factories of unemployment," she asserted at the time.

Campus activists immediately accused the minister of seeking to "offer students as animal feed to big business." University presidents and teaching staff backed calls for protest strikes, and for weeks, large-scale demonstrations took place in Paris and several other cities.

"We Have Won"

Mrs. Saunier-Seïte went on television to announce that, unless classes resumed, no diplomas would be handed out at the end of the academic year. She then confidently told her aides: "We have won — they went too far. Wait three weeks, and they will come back."

By the end of April, 1976, the strike had been broken and large numbers of students drifted back to the campuses.

The next year, Mrs. Saunier-Seïte began tackling the problem of excessive enrollment in universities. She announced that universities in Paris would select students on a first-come, first-serve basis, and that those who did not arrive at registrars' offices before quotas were filled would have to enroll at suburban universities.

The tactic seemed to underline the need for a system of selection — a concept that is anathema to reformists and radicals who assert that the quality of all universities should be equal and that anybody with a secondary school degree should be admitted to the institution of his or her choice. But following Mrs. Saunier-Seïte's announcement, it was evident by the long waiting lines in front of some registrars' offices.

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To Our Readers

This year, as in previous years, International Herald Tribune will not publish on Christmas. The next editions of the will appear on Dec. 26.

• Darryl F. Zanuck is dead. Page 5.

family's infant terrible saw 125 of her paintings hanging in the Frank Lloyd Wright-designed museum. "Uncle Solomon is now dead," she said. "We're reconciled."

But she also had come around to his way of thinking. The paintings on display — valued at \$10 million — were on temporary loan from her collection of 263 works of modern sculpture and painting.

One story she loved to tell concerned a controversy before World War II on whether her collection was art. "When the Germans invaded France and were marching on Paris, I pleaded with the Louvre to keep my collection in its secret storage area."

The museum's reply was that the paintings in her collection "were not art, and it would not be worth the effort [to save them]. I gained revenge in 1966 when they asked me to exhibit my collection in an annex of the museum. It was a triumph. I asked, 'Was it worthwhile, then, to save the collection?'"

Mrs. Guggenheim's son Simbad is the survivor of two children she had by her stormy marriage to artist Lawrence Vail: a daughter, Pegeen, died in 1967. After her divorce from Mr. Vail, she married artist Max Ernst, many of whose paintings are in her collection.

She was also married to writer John Holms and Douglas Garman

(Continued on Page 5, Col. 7)

arges Cover-Up

IA Ex-Agent Says Seoul
Bribed U.S. Congressmen

By Robert Meyers and Charles R. Babcock

WASHINGTON, Dec. 23 (WP) — A former CIA agent in South Korea has accused the agency of deliberately suppressing information in early 1970s that U.S. congressmen were taking sexual and financial bribes from South Korean officials in exchange for favorable treatment.

Philip Liechty, charged in an affidavit filed in federal court in late 1971 and in 1972 had said, but they were never sent to Washington. The information into our hands accidentally. It was what we had been hearing.

Liechty, 39, was in the CIA's office at the time. He said the officials who suppressed the information wanted to avoid political embarrassment. The name of the game was sex and all the good things as to offer," including money, Liechty said.

former agent, who was fired from CIA last year during an anti-orientation reduction in personnel reportedly took the false names as known officials.

Budget Fears
source close to Mr. Liechty said the CIA feared that its budget would be cut by vindictive congressmen if the information became known. The source also said that the CIA was not to ask their names from South Korean officials.

Senate Intelligence Committee in a 1978 report on the CIA role in South Korea, concluded that there was no evidence of an intentional cover-up. The report criticized the CIA, however for what it deemed as sloppy reporting techniques.

Liechty was interviewed by committee staff shortly before the report was issued, a spokesman for the committee said.

Liechty spoke with reporters after appearing in federal court in Virginia in connection with a \$1 million civil defamation suit against a former CIA colleague, Robert Bodroghy. A deposition that Mr. Liechty made in the suit said to contain information on national security matters.

Justice Department last week said that material placed under seal in the suit would not be made public.

National Security
Friday, U.S. District Court Judge Oren Lewis declined to rule on whether any other national security matters revealed in the case would be sealed. He indicated, however, that he probably would do so to protect national security, if the government filed the proper motion.

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Chrysler Chairman Lee Iacocca at press conference Saturday.

\$400 Million Sought

Chrysler Sets Fiscal Moves
To Ease Short-Term Needs

By Reginald Stuart

HIGHLAND PARK, Mich., Dec. 23 (NYT) — The financially troubled Chrysler Corp. will sell additional assets, take further cost-cutting moves and possibly negotiate new terms of a loan agreement with its creditors, the company's chairman, Lee Iacocca, said here yesterday.

The measures will be taken in order to raise an estimated \$400 million in operating capital needed to keep the company in business until a federally backed loan package can be instituted in late winter.

In his first news conference since becoming head of the nation's No. 3 automaker Sept. 20, Mr. Iacocca said that, as projected, the company would experience heavy financial losses in the first half of 1980 before it turns an anticipated profit in next year's fourth quarter.

He said the company still expects to lose half a billion dollars in 1980 on top of the \$1,074 billion that it expects to lose this year.

To bridge the firm through its cash-short months of January and February, Mr. Iacocca said a fund-raising plan had been activated. It includes trying to sell some assets, most notably its 15 percent interest in Peugeot Citroën, the French automaker.

That stock was worth approximately \$325 million at the time it was sold to Chrysler in August, 1978.

Despite the gloomy immediate outlook, Mr. Iacocca said that the \$1.5 billion in loan guarantee legislation approved last week by Congress "marks the beginning of a new Chrysler."

Commenting on the loan guarantee legislation, Mr. Iacocca said that the \$1.5 billion in loans from other sources, plus concessions from employees and suppliers — Mr. Iacocca said that those who say the company is doomed to bankruptcy are "surprised." "It's not a question of survival but of success. It's how we bring it off," he declared. "If this were an exercise of futility, I wouldn't even hold this press conference."

In a wide-ranging discussion, Mr. Iacocca also said that Chrysler might ask the government for flexibility in its fuel economy regulations so that the fuel-efficient foreign cars sold by Chrysler, made by Mitsubishi of Japan, could be counted toward the company's overall compliance with fuel economy standards for U.S.-made cars.

Starting this model year, U.S. automakers were not allowed to count their "captive imports" as part of their compliance with fuel economy regulations, although the profit from such distribution deals is attractive. This year, captive imports account for about 13 percent of total Chrysler passenger-car sales.

The former Ford Motor Co. executive took issue with charges by leaders of the United Automobile Workers union that Congress asked for a disproportionate sacrifice by workers as a condition for the controversial loan guarantee legislation.

"I asked the union for a \$400-million package earlier," said Mr. Iacocca. "That was my idea of what was proper. Now it's \$462 million. They're asking for more, but I wouldn't call it a disproportionate share."

January Negotiations
The UAW and Chrysler will meet at the bargaining table early next month to renegotiate their three-year contract as mandated by Congress so that the new pact reflects a \$260-million concession from the agreement reached Oct. 25. That contract provided for \$203 million in concessions to Chrysler below the contract agreed upon for the larger General Motors Corp. and Ford.

Mr. Iacocca acknowledged that 1980 did not look bright for the industry. He projected that new U.S. passenger-car sales — domestic and foreign — would be about 9.3 million units, the lowest estimate by any of the Big Three automakers, with foreign cars accounting for 2.5 million units of the total.

He said he hoped that the worst of Chrysler's production cutbacks and layoffs was over, noting that the number of management-level employees had been reduced by 8,500 in the past year and that in definite layoffs of hourly workers were at 35,000. He also said the firm was reviewing its capital spending programs with the idea that some could be eliminated or set aside for the time being.

Asked if Chrysler would go back to Congress if its rehabilitation plan failed, Mr. Iacocca responded: "No. Never. We got a good first-class plan. We will not be back."

House-Senate conferees agreed Thursday on the broad outlines of the windfall tax, now estimated to generate about \$27.3 billion in revenue. But White House officials indicated yesterday that Mr. Carter fears the substance of the conference report could "slip away" unless Congress nails down the details quickly.

While the step announced yesterday affects a small portion of the industry, White House sources said it was calculated to show that the president retains major power to govern the pace of the phased oil decontrol program — and that he will use it to get the program he wants.

Key Democrats In Illinois Less Firm on Kennedy
CHICAGO, Dec. 23 (AP) — Senior Democrats in Chicago and Cook County, Ill., have retreated from the party's early commitment to the presidential candidacy of Sen. Edward Kennedy, D-Mass., but Mayor Jane Byrne is trying to stem the tide that could significantly aid the renomination campaign of President Carter.

Chairman George Dunne of the Cook County Democratic Party spent much of last week in private sessions with committeemen, releasing them from their responsibilities of fielding states of Kennedy delegates for the March 18 Illinois primary, until Mrs. Byrne heard of the meeting.

Moving to shore up Sen. Kennedy's position, Mrs. Byrne telephoned party leaders to insist that they stick with him. Several party figures were skeptical about whether Mrs. Byrne could reverse the drift.

A retreat from the Cook County party's endorsement of Sen. Kennedy could have national ramifications. Stephen Smith, Sen. Kennedy's campaign chief, said on Dec. 11 that the senator must win the Illinois primary if he is to beat Mr. Carter.

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Cite Easing of Side Effects During Treatment

Cancer Victims Press for Legal Access to Marijuana

By Howell Raines

ATLANTA, Dec. 23 (NYT) — Along the grapevine of suffering that unites cancer victims, the families and physicians, the news about marijuana and chemotherapy has traveled far, fast and forcefully enough to change the drug laws of 21 states, the policy of the Food and Drug Administration and the hearts of small-town police chiefs.

That grapevine also provides an information and supply network for thousands of chemotherapy patients who do not have time to wait for legal marijuana to alleviate the nausea that accompanies such treatment.

In a hospital here, for example, Mona Taft learned from doctors and nurses she refuses to name that smoking marijuana would spare her husband, Harris, the 14-hour nausea attacks that went along with each administration of chemical drugs.

At Emory Clinic, in nearby Decatur, doctors have received telephone calls from police chiefs who are clandestinely supplying confiscated marijuana to chemotherapy patients and who want to make sure the recipients are indeed cancer victims.

Package In Mail
And in Seattle, someone mailed Corleen Hapeman, a chemotherapy patient, a tiny pipe and a bag of marijuana. She does not know the identity of her benefactor, but she became a leader in the national movement to make marijuana and its main psychoactive ingredient, tetrahydrocannabinol, or THC, available to chemotherapy patients.

As a result of the movement, 21 states in two years have legalized research programs that can dispense THC tablets and, in some cases, marijuana cigarettes. Twenty other states have such laws under consideration. But FDA rules strictly limit the participants in the four current treatment programs.

A major step toward general availability will be a meeting Jan. 17 and 18, called by the drug agency and the National Institute on

search community. Even Adm. Freeman himself acknowledges there is a "50-50 split" on the issue.

He chided Friday's listeners that he should not find anyone who could tell him what part of the office's budget went for records preservation and what part went for records management. But the Archives' executive director, John Landers, immediately handed him a document giving precisely that breakdown. "He didn't ask me," Mr. Landers said later, referring to the admiral's complaint.

Differences between Adm. Freeman and the historians emerged most dramatically when the admiral was told that one of his dispersal orders had been reversed by the acting chief archivist, James O'Neill.

Mr. O'Neill, responding to grumbling by historians and researchers, rescinded Adm. Freeman's order to send some Reconstruction-era documents to Atlanta. Mr. O'Neill said that Adm. Freeman would understand when the issue is explained to him. But Adm. Freeman displayed no willingness to compromise: "They're [the records] going to Atlanta," he said.

Mr. Toland argued that Adm. Freeman's plan to divvy up the nation's historic records will raise havoc with serious historical research. "If I'm working on a subject," he said, "it might encompass something happening in Boston, Philadelphia and New York. It's the subject that's important, not the place."

Splitting up the Reconstruction-era records, which are used by

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Drug Abuse. Pharmaceutical companies will be encouraged to apply for permission to manufacture a form of THC. It would be the first marijuana-related drug federally approved for prescription.

The action is based on 29 studies approved by the drug agency indicating that marijuana and its related chemicals prevent the nausea that chemotherapy causes in most cancer patients. In some cases, the nausea can be so severe that the patient, rather than endure it, gives up the intravenous chemical infusions needed to prolong life.

The meeting represents a breakthrough for advocates of the legalization of marijuana, cocaine and heroin for cancer victims and the terminally ill.

But government approval of THC tablets is not expected to satisfy those who believe the smoked form of marijuana is medically superior to tablets. Nor is it expected to curtail the marijuana underground that has developed among the 115,000 to 230,000 persons who receive chemotherapy each year in the United States.

Dr. Dan Nixon, a cancer specialist at Emory Clinic, estimates that at least 30 percent of those patients use marijuana.

"The cancer patients are getting it on the street," he said. "The local police departments have been good about providing it in some cases. When I say local police, I don't

mean Atlanta or Decatur. I mean hometown police. I don't know of any instance where the local authorities have refused the substance once it was explained what it was used for."

Encouragement
Dr. Nixon said his clinic, like most, did not suggest marijuana use. But a number of sources assert that many older patients learn about it from medical personnel.

Afghan Official Reported Shot
NEW DELHI, Dec. 23 (AP) — The chief of Afghanistan's secret police was critically wounded in his office on Monday and his assailant was arrested, a delayed report from the Afghan capital of Kabul said yesterday.

Assadullah Amin, nephew of President Hafizullah Amin, was shot in the chest by a male visitor who had come to inquire about detained relatives, said the source, who has been reliable in the past. The incident coincided with 30 minutes of firing at the official residence of President Amin nearby, the source said.

The victim underwent successful surgery at Kabul's military hospital, the source added. The unidentified assailant was overpowered.

Administrator Freeman Says He Has a Better Way
Brash Overseer Dismays U.S. Archivists

By Thomas Grubisich
WASHINGTON, Dec. 23 (WP) — After they recovered, the historians and scholars agreed that they had witnessed a bravura performance. Rear Adm. Rowland Freeman 3d Friday told the learned men who run the National Archives that he knew their business as well as they did — and that he had a better way.

"I have a tremendous sense of history. I have helped make it," said Adm. Freeman, 57, chief of the General Services Administration, the government's house-keeping arm. "I know where I'm coming from. I'm an expert in almost every area you work."

Adm. Freeman, seated at a table in the chandelied Archivist Reception Room, told the assembled keepers of history he was not budging from his plan to save taxpayers money by shipping archival records from Washington to regional offices across the country.

The learned men did not take it very well. "That crazy bastard," one high-ranking archivist later muttered. "I hope he doesn't shoot all his toes off," said another.

The dispersal of records is the beginning of the end of the National Archives' complained Pulitzer Prize-winning historian John Toland, a member of the National Archives Advisory Council, the group Adm. Freeman addressed.

Adm. Freeman's decision to decentralize the Archives' records — which he says is part of President Carter's goal of "bringing government to the people" — has aroused widespread opposition in the re-

search community. Even Adm. Freeman himself acknowledges there is a "50-50 split" on the issue.

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Asking for a Boycott . . .

Encouraging the pope, the PLO and others to intercede for the Tehran hostages bought a week. Moving the Security Council from a show of concern to a unanimous resolution bought three weeks more. Getting a ruling from the World Court was good for two. Demanding now that the United Nations impose economic sanctions against Iran should buy another week or two, and longer if they are put into place. President Carter is playing for time, from the American people, to avoid using force.

More time, and power, to him. There is still no way to justify getting the hostages killed in order to save them. But you can almost hear the drums beating, and the president's polls ratcheting down again. Americans feel helpless and humiliated; they are beginning to think the world will walk over them if they do not demonstrate their fury.

Violence, however, will not extract the hostages alive nor hasten Ayatollah Khomeini's fall nor leave the United States with any influence over the Iran that emerges from the present turmoil. United Nations sanctions cannot help much either, except to dramatize the world's abhorrence, and so help Americans keep their shirts on. That is reason enough to request the embargo.

Americans should understand, however, that an embargo promises mostly psychological pressure on Iran at a real price to many nations. Iran's revolution has already convulsed its economy. With its U.S. assets frozen and Western credit in doubt, it is re-

duced to bartering with oil. But its oil still earns \$70 million a day. Cutting Iran's trade meaningfully would require all countries, not just the United States, to reject its oil, raising the world's oil bill yet again.

And inevitably, some oil would leak out to let Iran buy the food it needs. Sooner or later, secret patrons would appear, in the Moslem world or the neighboring Soviet Union, to punch more holes in the embargo. And all that effort could even backfire. An embattled Iran might rally round the ayatollah, just as his hold on the large minority provinces was beginning to slip.

Still, the world would be wise to adopt and enforce the sanctions. This is a rare chance for other nations to intervene in the U.S. political process. By granting Mr. Carter the time he seeks, they would endorse a so far sensible U.S. response to grave provocation. By refusing him, they would surely intensify the clamor for belligerence.

This whole affair of the hostages remains, mercifully, a war of symbols. In exploiting the prisoners to dramatize a grievance and to consolidate their revolution, the Iranians have so far shown that they do not mean to harm them physically. By responding as he has, Mr. Carter has given the same signal to their captors. It takes luck and time for reason to survive such a contest of nerve. The ayatollah has been pushing his luck. The president is running short of time.

THE NEW YORK TIMES.

. . . That May Not Help

President Carter's appeal for international economic sanctions against Iran puts a fundamental question to the "international community." Is there any such thing? Is there any working sense of a minimal common interest among the nations that can be brought to bear to help persuade the terrorists in Iran to release their U.S. hostages?

In truth, this is not a convenient question to ask at this time. It is never a convenient question. The weather is cold, and there is a recession in most of the countries with close economic ties with Iran. Those governments that join the United States in tightening an economic ring cannot expect to have their publics offer them full-throated thanks, or to avoid certain costs, no matter how successful the administration is in working out burden-sharing arrangements. The precedents—in particular, Rhodesia—are not exactly cheering. The United States may find itself being asked to give out chits. Even if it succeeds in mustering a good company at the start, it will be asked, more and more insistently as time drags on, to justify the continuance of such an inconvenient and uncertain enterprise.

There is, really, just this to say about Mr.

Carter's sanctions request. There are serious political differences between the United States and Iran, and the United States at least has suggested to Iran ways in which they could be addressed. But this is not the problem. In what the United States wants from Iran—the return of its people—there is not a grain of special U.S. interest or advantage. The United States is asking only for what most governments and the primary international institutions have already formally agreed is its due.

If other nations—we will not, yet, say "international community"—cannot bring themselves to act promptly and openly in support of this completely disinterested request, then a blanket invitation will have been given to national caprice, to terror, to violence, to a concept of the world as a place where anything goes. Perhaps it is useful to observe that, although no nation will fare well in that sort of world, the United States has the resources to fare better than most. Much more than the fate of the hostages hinges on Mr. Carter's request for help in getting them back.

THE WASHINGTON POST.

Canada: A Reflection

The administration was sinking in the polls. The reason, all the diagnosticians agreed, was the general public perception of weak leadership. Its troubles reached a high point when, to strengthen the national energy plan, it proposed higher taxes for gasoline and oil. The industrial and farming areas bitterly protested that they were being sold out to the oil-producing regions. Then the defections began.

The country is not the United States, but Canada. The Conservative government of Prime Minister Joe Clark, in office only since May, was defeated Dec. 13 in a crucial vote on the budget, forcing an unexpected national election in February.

Before concluding that gasoline taxes are sudden death for politicians, take a closer look at the events in Canada. Mr. Clark, whose Conservative Party won only 36 percent of the vote last May, was running a minority government from the beginning. He stayed in power only with the votes of the Social Credit Party, a populist fragment on the right. The Clark government decided to raise gasoline taxes because it was necessary—for the same reasons that it is necessary in the United States. But, never a skillful parliamentary tactician, Mr. Clark assumed that there was no need to worry about the threats of a rebellion from his Social Credit supporters. The real power lay with the big Liberal Party. It was an inconvenient time for the Liberals to fight an election. They would not

dump the Clark government with a cold winter coming—well, would they?

They did. But Mr. Clark was right about one thing—it is a bad time for the Liberals to undertake an election campaign. Pierre Trudeau, the prime minister for the last 11 years of the Liberal reign, had just announced his retirement as the party's leader and there was no chosen successor. Now the party has persuaded Mr. Trudeau to return. But that is not quite a solution. The Liberals were beaten last spring because Mr. Trudeau's personal popularity had faded, and because his economic policies were performing poorly. He has been out of office such a short time that he will be running on his own record once again.

Regarding the gasoline tax, incidentally, Mr. Trudeau will have to be very cautious in dealing with that one since, if he should win, he himself would have to do something very similar.

As for parallels between Canada and the United States, perhaps there is one in the voters' ambivalence toward their leadership. For Canada, it is a choice between Mr. Trudeau, who is held to be too brilliant and arrogant, and Mr. Clark, who is held to be not brilliant and arrogant enough. Like their neighbors to the south, they do not find the incumbent very exciting. But neither are they visibly rushing to embrace his more assertive and more demanding rivals.

THE WASHINGTON POST.

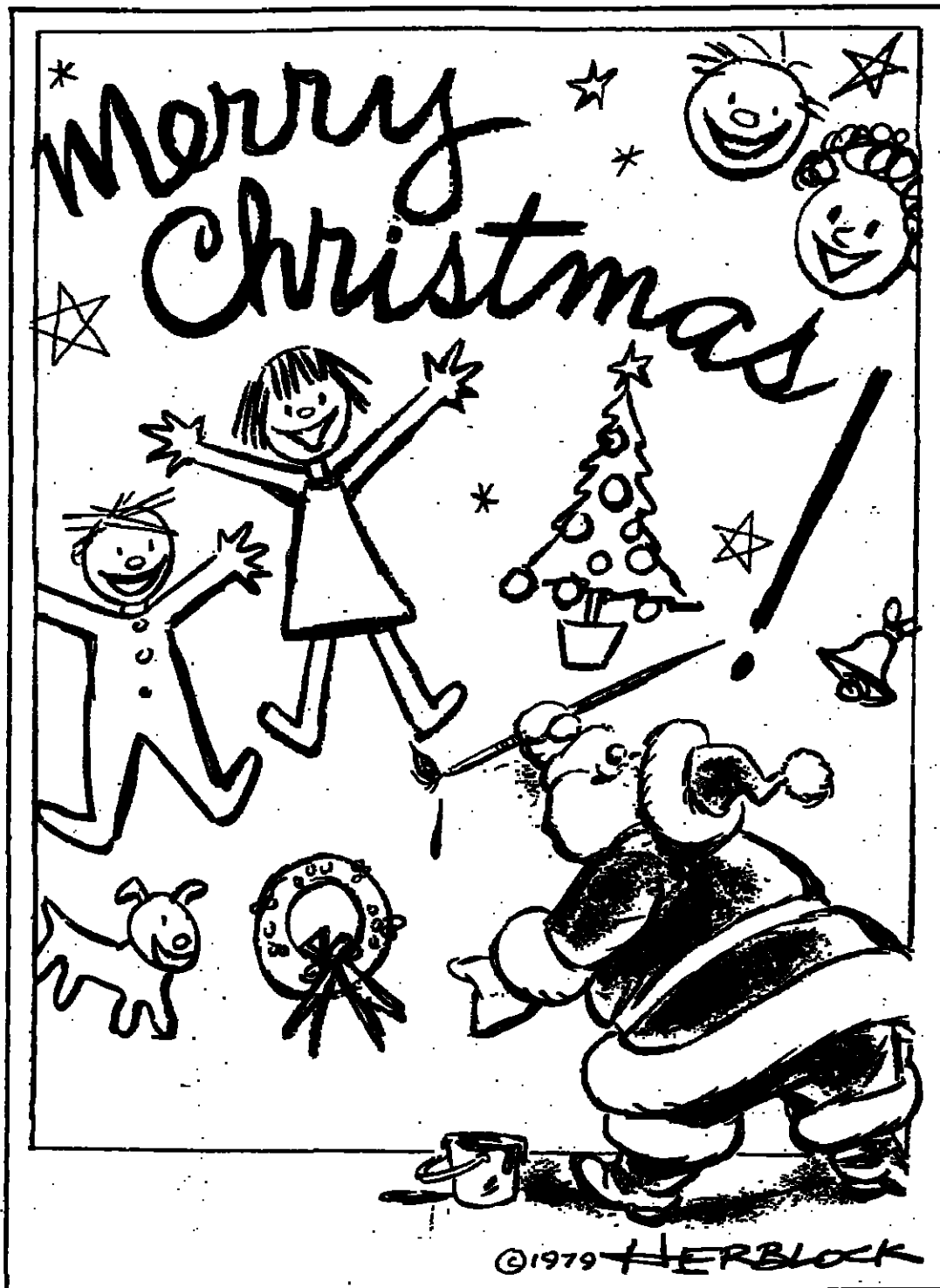
In the International Edition

Seventy-Five Years Ago December 24, 1904

ST. PETERSBURG — Premature, indiscreet and intemperate demonstrations and speeches indulged in apropos the proposed reforms appear to have completely destroyed all chances of the reforms being granted. In his own hand the Emperor replied to a petition requesting reforms, from the President of the Assembly of Nobility of Tchernieff: "I consider the request arrogant and tactless. It is not the business of meetings of the Zemstvos to occupy themselves with questions concerning the administration of the empire." And an imperial reprimand of equal severity was meted out to the Mayor of Moscow for having made a speech in favor of reforms. He will probably be dismissed.

Fifty Years Ago December 24, 1929

NEW YORK — Thomas B. Preston, veteran newspaperman and former editor of the New York Herald of Paris, died at his home today. As a reporter for the New York Herald, his biggest assignment was covering the activities of Charles S. Parnell during the Irish Nationalist's stormy visit to the States in 1879. He attracted the attention of James Gordon Bennett, who took the reporter to Paris with him and established him there as editor of the New York Herald, where he remained until 1901. He put into effect several innovations which made the New York Herald a representative American journal and aided the liaison between American and European points of view.



Failure in the Federal System

By James Reston

WASHINGTON — This is a troubled city at the end of the 1970s because it is leading a life of pretense. It is anxious, not primarily because of its immediate problems at home and abroad, but because of a growing conviction that it is dealing with a world of divided national states that is out of control, and that the government is not working effectively on the challenges of the 70s.

Put more simply, what is bothering thoughtful people in both parties here is that the world changed faster in the 70s than we have been able to change ourselves; that the prevailing attitudes of our people and the assumptions of our institutions, including the divided responsibilities of the federal government, are out of date.

There is a vague understanding here that some kind of major transformation took place in the world of the 70s; that the United States was no longer self-sufficient in the resources essential to sustain its industrial growth; that it was no longer the most productive or most successful nation in the export markets of the world; and maybe not even the undisputed military or moral leader in the shifting balance of a rapidly changing world.

But Washington has not been able to adjust to these fundamental changes. It has been trying to deal with them as if they were a passing phase that could be corrected by a larger defense budget, or by blaming Mr. Carter and substituting Sen. Kennedy or Mr. Reagan or Mr. Connally or somebody else who would make the rest of the globe shape up to our ideals and interests.

Meanwhile, as Congress scatters for the Christmas holidays, depriving us of its advice (which may not be an intolerable loss), we clearly need a little time at the turn of the year to sort out and redefine our problems and priorities. The OPEC nations and Ayatollah Khomeini are trying to tell us something. Namely, that we are confronted not only by the growing power of Soviet missiles in Eastern Europe, and by Moscow's naval power in the oceans of the world, but by the economic power of the oil-producing nations, and the philosophic challenge of Islam to the materialism of the West.

The political debates raging in the headlines of the world's press—in Iran and elsewhere—do not really deal with the deeper and more tragic ills running under the surface. The world is being changed, not primarily by the ayatollahs or even by the contemporary leaders of the principal industrial states. The world is being changed by the fertility of the human body and the mind; by ordinary people who produce more children than they can feed and educate; by science that preserves life at the beginning and prolongs it at the end, leaving to the politicians the problem of finding remedies for this deluge.

Where the politicians as well as the teachers and preachers and reporters and editors can be faulted is in failing to make this fundamental fact clear to the people as the central question for decision. Here in Washington, for example, at the end of the old year and decade, we are preoccupied, and understandably so, with the lives of some 50 U.S. captives in Tehran. So, too, we confront the paradox of increasing the U.S. defense budget in order to control the arms race; and the struggle for the U.S. presidency among a group of men who have been talking about transitory issues, as if nothing had changed—and if it had, it was somebody else's fault.

But under the surface of these arguments, there are serious people with long experience in Washington and elsewhere who recognize structural defects in our government that must be repaired if we are to deal with our present and coming problems.

This is not a partisan or ideological observation. For example, Douglas Dillon, former under secretary of state and secretary of the Treasury, in speech the other day before the National Institute of Social Services in New York called for a reappraisal of our thought and government to deal with all these changing problems.

"What we are suffering from today," he said, "is not incompetence in our Foreign Service, or in our intelligence services or in the office of the president. Unfortunately our problem gives every sign of being much more serious than that. It is, in my view, the beginnings of a crisis in the operation of our basic system of government.

"We must learn to accustom ourselves to a new world, a world in which actions taken by others can have rapid and serious effects on our economy and on our standard of living, a world in which others have the military means to destroy our nation whenever they are prepared to accept the consequences. I very much doubt," Mr. Dillon concluded, "that in such a world we can long continue to afford the luxury of the division of power and responsibility between our executive and legislative branches of government. But I do know that until we are prepared to examine the basic structure of our federal system and its functioning in today's world rather than indulging ourselves in continuous personal and political recriminations, our problems will remain with us and, in all probability, increase in severity."

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The Grinches vs. Liberty

By George F. Will

WASHINGTON — A Dr. Seuss classic begins: Every Who Down in Who-ville Liked Christmas a lot . . . But the Grinch Who lived just north of Who-ville, Did NOT!

Dr. Seuss did not say so, but I am sure the Grinch was member of the American Civil Liberties Union.

Every December, they crawl out of the woodwork, grinchy people who seem to live for the fun of trying to get Christmas trees, carols, and creches banned from public places. These people advertise themselves as friends of freedom, naturally. Their aim is to get the First Amendment construed to say that carols sung or trees and creches displayed on public property, constitute the unconstitutional establishment of religion.

Unpersuasive

The constitutional theory (if it can be so dignified) behind that argument is, to say no more, unpersuasive. But an interesting frame of mind often is behind the attack on carols and creches.

Tension between religion and the state is perennial because it is inevitable. Religion invokes claims to an authority superior to secular authorities. The tension is in some ways, especially acute in the modern age because the modern state "aspires to an all-comprehending jurisdiction." Those are the words of Peter Berger and the Rev. Richard John Neuhaus, co-directors of the Mediating Structures Project, sponsored by American Enterprise Institute.

The premise of their project is that government tends, inevitably, to expand, and as it does it promotes, and often enforces, social and cultural uniformity. It does so as a rival of structures (families, churches, neighborhoods, voluntary associations) that soften the exposure of the individual to the great megastucture, the state. The growth of the state at the expense of mediating structures—and of the community's right of self-expression—often is, curiously, a consequence of the assertion of certain rights.

My friend and fellow-columnist, Joseph Sobran, asks, "Why is it that every time somebody asserts a new

right, all of us wind up less free than we were before?" He notes that many new rights are not protections against power but claims against the freedoms of fellow citizens.

Truculence

Attempts to silence the singing of "Silent Night" in public schools are attempts to make the state the instrument of truculent people. These people want to use state power to purge the social milieu of certain things offensive, but not at all harmful, to them. There is mean-spirited bullying in this—disagreeable delight in using the community's law divisively, to abolish traditions enjoyed by neighbors.

There are other examples of rights being asserted in aggressive, almost vicious, ways. The National Association of Women, which speaks incessantly about freedom and liberation and all that, is trying to assert a right to have a judge disqualified from hearing a case pertaining to the ratification of the Equal Rights Amendment, disqualified because he is a Mormon, and his church opposes ERA. What the women are seeking would violate the constitutional guarantee that "no religious test shall ever be required as a qualification to any office of public trust under the United States."

Violations

It is, by now, a familiar process: people asserting rights in order to extend the power of the state into what once were spheres of freedom. And it is a scandal beyond irony that, thanks to the energetic litigation of civil liberties fanatics, pornographers enjoy expensive First Amendment protection while first graders in a nativity play are said to violate First Amendment values.

Every year around Christmas we see evidence that there is, indeed, as Mr. Berger and Rev. Neuhaus say, a "growing trend toward legally enforced symbolic sterility in public space." Christmas or Hanukkah lights on the common may be little things, "but of myriad such little things the public ethos is formed." People who seek to use the law to turn out the lights are seeking to impose their aversion to such symbols on communities that cherish them.

This represents excessive deference toward individual rights and against community prerogatives.

Letter From London Defining Obscenity A New British Effort

By Wayland Young

LONDON — The recent report of the Committee on Obscenity and Film Censorship is certain to become some sort of landmark in Britain, and perhaps in other English-speaking countries; it will do so whether or not its recommendations are adopted, because it is so lucid.

The chairman of the committee was Bernard Williams, professor of philosophy at Cambridge and Provost of Kings College. The report bears the stamp of his mind throughout.

The report says that our old friends, the words "corrupt and depraved," which have bedeviled the law in the English-speaking countries since 1867, are worn out. If in more than a century nobody has been able to find out what they mean, it is time to stop punishing those who might be characterized either way.

Instead, the report introduces "giving offense to a reasonable person." The printed word, it says, cannot do that, because nobody is forced to read anything they do not wish to. It goes on to consider the displays in porn shop windows and in ordinary newsstands, which have expanded so rapidly in recent years. Here, if you "give offense," you should be guilty of a crime. But it is not necessary to ban a thing to prevent its giving offense, only to restrict it to special, anonymous-looking shops and movie houses so that those who seek it can obtain it while others will not be offended.

Difficult Part

Beyond the "offensive" there lies the "harmful," and this is the most difficult part of the argument. The report does not go as far as the British Arts Council Working Party of 1969 or the U.S. report in 1970 (instantly dismissed by President Nixon), both of which said that there was no evidence pornography does anybody any harm and that there ought to be no law against it.

The Williams committee says that though they too have found no evidence that pornography harms even children or young adolescents, they feel they had better play safe: innocent, until proved guilty, need not obtain. And they recommend that persons under 18 years of age should be excluded from porn shops and blue-movie houses. They also think that "film is a uniquely powerful instrument." (TV was outside of their scope.) They recommend that the present industry-run film censorship board should make way for a statutory board.

Now what has happened here? If the committee had had the courage of its findings ("no harm"), they would no doubt have recommended no law. If on the other hand they had fully accepted that there could be harm, and had asked what harm threatens, they might have been able to find a phrase for the kind of harm that can be done to an adolescent but not to an adult. So what they very sensibly did was to give way to impulse: "We found it extremely disturbing that highly explicit depictions of mutilation, savagery, menace and humiliation

should be presented for the enjoyment of an audience in that appeared to emphasize pleasure of sadism."

They therefore propose it film censorship board should be the power to ban a film on Most people in Britain would agree. If a great majority to ban something then, the state of the art of censorship, it is politically impossible democracy to leave it up to the committee was dignified some of the films it saw, and its own spontaneous reaction being so, one may ask: Why objective stuff about harm recognized it subjectively any trouble.

A task remains to break it and for all the historically mined and still deeply felt "sex-and-violence." In their field of work, the committee, the manner in which they, deals with or relates to, or to the horror, or to the fear of urinary functions or organs. Poor sex: still finished in the sewer. Most violence is, in fact, most sex is nonviolent, hence is bad. They cannot be considered together are not two aspects of the same must be prevented or deplored two separate things. One is the life wish, the other is the wish. Perhaps there is still a separate inquiry into what if so how, the educational is in society tending to prove or to be reduced.

If this report is adopted, there will be a system much like French one. But what a difference there will be in the way working.

Other Views

Compare what some other tries have to say about film

Films may be banned in France. They are "offensive to human dignity" in West Germany, if a lead against moral or religious values or human dignity or effect of moral depravity, endanger the liberal foundations of democracy or present in a favorable light the right man . . . or encourage in the or militaristic tendencies incidents of war; and in France they are "likely to have a harmful or exciting effect on the mind of the viewer, or on the nation which would do the Sweden's defense or internal security."

From these certainties, way to the gentle life and Williams formulation: A ban is "if, having regard to the importance of allowing the expression of artistic expression not suppressing truth or not nevertheless unacceptable of the manner in which violence or sexual act is

Relative indeed, but good compromise between who want certain things but cannot explain why, and can and do explain why nothing should be banned.

Wayland Young is a writer and a London, England, contributor to the International Herald Tribune.

The International Herald Tribune welcomes letters from its readers. Letters will not be published unless they are signed and addressed. The editor cannot acknowledge letters to the editor.

Letters

Power of the Polls

James Reston's timely and trenchant article about "The Tyranny of U.S. Polls" (HT, Dec. 15) might have added two important complaints about the impact of polls on the thinking of Americans. We should not ignore the extent to which the results of polls, and especially the reporting of results, influence subsequent public opinion; this becomes a self-fulfilling process because it conditions public opinion to the conclusions of the 450 to 1500 persons sampled. (And the results of the Nielsen ratings serve to remind us how remote some of these conclusions are.) Second and

even more sinister is the force of politicians on the polls rather than on reality in their conduct of affairs.

We suggest that polls but that their results announced for a year or so their predictive value assessed in terms of reality, and these samples of wise wisdom of Americans or not. Meanwhile, would have to make up on the basis of events, in what other people think.

DIANE JOHNSON
JOHN MC



About 25,000 supporters of guerrilla leader Robert Mugabe march through township of Seki.

In Defiance of Police Order

Guerrilla Supporters March in Rhodesia

From Agency Dispatches
SALISBURY, Dec. 23 — Thousands of supporters of the Patriotic Front marched here today in defiance of a police order, while preparations continued for the monitoring of the cease-fire mandated by the peace agreement signed Friday in London.

In squatter camps and in black townships, supporters of guerrilla leaders Robert Mugabe and Joshua Nkomo chanted in the streets and ignored riot police who had been sent to stop them. According to police, 25,000 persons joined the demonstration in the township of Seki, in the outskirts of Salisbury.

Britain lifted a ban yesterday on activities in Rhodesia by the political organizations of Mr. Mugabe and Mr. Nkomo, but the governor, Lord Soames, said that demonstrators had to ask for permission 48 hours in advance.

The guerrilla supporters ignored the order as well as several attempts by police to make them leave. Finally, after several hours, the crowds dispersed without the police taking any arrests or using force against the demonstrators.

Meanwhile, British military officials said today that the troops entering the cease-fire should be placed at midnight next Friday at rendezvous points and 16 assembly areas to wait for an estimated 20,000 guerrillas to come out from hiding. The troops were to be armed only with sidearms and rifles for protection, the officials said. A total of 1,200 British and Commonwealth troops are to monitor the cease-fire.

Tons of U.S.-supplied tents and bedding will be dropped by transport planes over the rendezvous points and assembly areas next Saturday, the officials said. The guerrillas, who will be allowed to keep their weapons, will be given 10 cigarettes and a meal before being transported to the assembly areas for the duration of the election campaign.

Rhodesian government forces have begun a progressive disengagement from contact with guerrillas in the remote countryside, according to the British chief of the monitoring force, Maj. Gen. John Acland. He added that, because he had not yet dispersed his teams into the countryside, he did not know whether either side was continuing any offensive operations.

Meanwhile, Zambia announced today that it was lifting economic sanctions against Rhodesia, in line with other countries and the UN Security Council. The Security Council lifted economic sanctions on Friday and urged immediate assistance to Rhodesia. The sanctions were imposed in November, 1966.

Mozambique and Tanzania also announced today that they were lifting sanctions. A statement by the Tanzanian Foreign Ministry added that the other Front-line States supporting Patriotic Front guerrillas — Botswana, Zambia, Mozambique and Angola — had taken simultaneous action.

Meanwhile, gunmen yesterday shot at Mr. Mugabe's family home in Salisbury, wounding two of his nephews. Authorities said that they could not immediately determine who was responsible for the attack but Mr. Mugabe's relatives and Mr. Nkomo blamed members of the government of former Prime Minister Abel Muzorewa. Mr. Mugabe does not live in the home.

Mr. Mugabe flew to Tanzania from London today, before proceeding to the headquarters of the guerrillas in Mozambique. He presumably was to confer with Tanzanian President Julius Nyerere. Mr. Mugabe has not indicated when he will go to Rhodesia.

In Lusaka, Zambia, Mr. Nkomo today told about 2,000 supporters that his first job would be to send commanders into the bush to tell his men of the cease-fire. He indicated that he would go to Rhodesia by the end of the week.

So it is that there are flirtations with the Communists, even though everyone is mindful of the firm stand taken by Enrico Berlinguer, the Communist Party secretary, at the party congress last March: "Either in government or in opposition."

Since then, the Communists have given hints that they are ready to find a compromise that would return them to the parliamentary majority but not necessarily give them

As Cabinet Collapses

Role for Communists Seen In Italy's Next Government

By Louis B. Fiering

ROME, Dec. 23 (LAT) — Another Italian government has begun to fall apart, and it is apparent that the Communists will be able to move closer than ever to power as it collapses.

This does not mean that the Communists will win a direct role in the next government, although even those Christian Democrats most opposed to dealing with the Communists acknowledge the possibility.

But it could mean a compromise that would restore the Communists to the working parliamentary majority and almost certainly would increase the party's influence in the next government. The Communists abandoned such a role 11 months ago, setting off the nation's longest political crisis.

"It is all because of a missing five votes in Parliament," a leader of the Christian Democrats, the largest party, said with exasperation.

Ineffective
He was referring to the mathematics of the Parliament elected June 3, in which the seats are so divided that construction of a durable government without leftist support has been impossible. Attracting leftist support, either from the Communists, the No. 2 party, or the Socialists, the No. 3 party, so far has proved to be too unpalatable to the right, or too complex.

The minority government of Francesco Cossiga, made up of his own Christian Democratic Party plus the tiny Social Democratic and Liberal parties, has been ineffective. It could fall any day, although most of those involved seem to want to retain it through the Christian Democratic Party congress next month.

"In one sense the Communists have already proven that you cannot govern without them," a Western diplomat said, reviewing the problems faced by the Cossiga government since it was formed in August.

But that does not mean that it would be wise to govern with them. The Social Democrats have, for example, renewed an appeal for a five-party coalition government, bringing in the Socialists but not the Communists.

A solution excluding the Communists depends, ultimately, on the Socialists. Most doubt that the Socialists will be willing to join a coalition with the Christian Democrats but without the Communists.

Part of the problem is that the Socialists are in the midst of a bitter leadership struggle that has undermined the authority of the party secretary, Benedetto Craxi, who a few months ago was considered likely candidate for premier in a new center-left coalition.

Flirtations
So it is that there are flirtations with the Communists, even though everyone is mindful of the firm stand taken by Enrico Berlinguer, the Communist Party secretary, at the party congress last March: "Either in government or in opposition."

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The 51-year-old Rev. King, one of Western Europe's leading liberal theologians, teaches at the University of Tübingen. The ban was reportedly approved by the pope.

It said that Rev. King had been warned continually that his writings questioning three central doctrines of the faith did not conform with the church's position. The differences "concern the infallibility of the church in interpreting the word of God and the dogmas that Christ was the son of God and was born of a virgin."

The ban on Rev. King's teaching triggered protests in both the educational and religious communities. Educators have said the Vatican is trespassing into academic freedom, while theologians have voiced alarm at the apparent swing toward conservatism within the church.

The greatest effect of the order may finally be felt in heavily Roman Catholic West Germany. Friday, the university's president called for talks in the near future on regulations to "prevent conflicts of this type."

The uproar has evidently forced officials of the conservative West German church to take dual paths. Wednesday, the bishops' conference said it supported the Vatican's decision to lift Rev. King's teaching credentials and said Bishop Moser would request the priest's removal from his post by the state's Science Ministry, which has jurisdiction over staffing in the public university.

But Bishop Moser held a surprise meeting with Rev. King, after which Rev. King said the bishop decided to refuse to take official action and instead to seek a new understanding. To that end, Rev. King said, he gave the bishop a document that included "a sort of expose on the problems under dispute."

The United States sees a high risk of a Thai-Vietnamese conflict if the Vietnamese launch a pincer movement from the north and south to rid Cambodia of pockets of Khmer Rouge and rightist Khmer Serei guerrillas. The United States has speeded up arms deliveries to Thailand's 160,000-man army.

International relief workers at a camp that houses 80,000 Cambodian refugees said they had drawn up emergency evacuation plans in case of a Vietnamese attack.

Cabinet posts, according to an informed source.

"The price would be high," the source stated. The Communists would insist on substantial sections of their own programs in matters covering agriculture, labor, development of the south of Italy — in effect, giving them what they have wanted without the trappings of formal entry into government, he said.

Politicians are not sure whether such a deal could be made today. But most agree that the Communists are in a remarkably strong bargaining position.

This is all the more paradoxical in that the Communists suffered the largest losses in the national elections last summer, dropping from 34 percent of the vote in 1976 to 30 percent in June while the Christian Democrats dropped only marginally to 38 percent and the Socialists held steady at just under 10 percent.

Italian political leaders and the Italian press have adopted a special vocabulary to deal with the contradictions and dilemmas.

Christian Democrats speak of a solution of "national solidarity," by which most mean a deal without the Communists, but many acknowledge that the Communists may have to be included.

The Socialists speak of a solution of "national unity," by which they hope to avoid anything that weakens them. They speak, on the left, of the party at least, of a government of the left, but they know that the Communists are not interested and that many Socialists fear being swallowed up by any union that involved only the Communists.

People accuse us of using complicated words but it is the situation that is complicated," a leader of the Christian Democratic Party said.

Party Congress
Typical of the contradictions is the situation facing the Christian Democrats at their long-postponed party congress, now scheduled for next month in Rome.

Mr. Forlani, a bitter foe of any deal with the Communists, is expected to be elected secretary, succeeding Benigno Zaccagnini, who has been more flexible in considering arrangements with the Communists.

Yet those close to Mr. Forlani acknowledge his pessimism and his recognition that, as one put it, "he may have to accept a catastrophe." By that, he meant what some call an institutional government, filled by men of national prestige, but a formula that almost certainly would bring the Communists into government as part of a national unity coalition.

That prospect has led U.S. officials in recent weeks to reaffirm the policy announced in January, 1968, opposing the entry of Communist parties into governments of Western European allies. Communist opposition in the Italian Parliament last month on the vote on new NATO nuclear missiles has only hardened the U.S. position.

That makes the prospect of increased Communist influence no less likely, however, given what a Soviet parliamentarian called the "increased intransigence" encouraged by Italy's economic conditions — high unemployment and high inflation.

Mr. Zanuck specialized in making controversial films. He was first to tackle mental illness ("The Snake Pit"), anti-Semitism ("Gentleman's Agreement") and the dispossessed ("The Grapes of Wrath") and black-white relationships ("Pinky"). They were all box-office successes. He also made "The House on 92nd Street," "Boomerang" and "The Purple Heart."

He was a three-time winner of the Irving Thalberg Award, voted by the Academy of Motion Picture Arts and Sciences for "the most consistent high quality of production achievement." He also won three Oscars.

Mr. Zanuck was born in Wahoo, Neb., Sept. 5, 1902, the son of a hotel manager. After a stint in the Army during World War I, he moved to San Francisco to work in a shipyard and then turned his hand to magazine writing. His first movie break came when he sold a story to the Fox Film Co. for \$500.

Warner Bros., impressed with his U.K. Ex-Official
LONDON, Dec. 23 (AP) — John Cairncross, a retired British diplomat and Treasury official who lives in Rome, was named today in newspaper reports as a spy for the Soviet Union.

The Sunday Times said that it was told by Cairncross that he supplied diplomatic and political material to the late Guy Burgess in the Burgess-Maclean-Philby spy chain. Burgess and Donald Maclean fled to Moscow in 1951 and were joined there later by Harold (Kim) Philby. All three had worked in the British Embassy in Washington.

The report said that, after Burgess and Maclean fled, security authorities questioned Cairncross, who told them the truth, then left the civil service. His role in the affair was kept quiet and he went abroad, working for international agencies. His brother, Sir Alec Cairncross, is a former government economic adviser.

Andrew Boyle, whose book "The Climate of Treason" led to the naming of royal art adviser Anthony Blunt as a spy for the Soviet Union, said in the Observer that Cairncross was one of six diplomats under suspicion after Burgess and Maclean defected.

Like Burgess, Cairncross, now 66, was at Trinity College, Cambridge, in the 1930s and belonged to a Communist student group there. He said that he knew Maclean, Philby and Blunt as well as Burgess.

U.S. Plane Crash Kills 4
ORLANDO, Fla., Dec. 23 (UPI) — A twin-engine plane plunged into a lake here yesterday, killing all four men aboard.



Darryl F. Zanuck

Obituary

Darryl F. Zanuck, Ran 20th Century-Fox

PALM SPRINGS, Calif., Dec. 23 (UPI) — Darryl F. Zanuck, 77, the flamboyant Hollywood movie producer who ran 20th Century-Fox studios with an iron hand for more than a third of a century, died yesterday.

Named as board chairman in 1971, Mr. Zanuck thereafter suffered ill health in retirement at his home here. He was hospitalized for pneumonia Oct. 28 and lapsed into a coma Nov. 17.

He once was among the highest paid executives in the United States, earning more than \$450,000 a year in salary and dividends.

Mr. Zanuck once fired his son, Richard, as head of production at 20th Century-Fox in a dispute over control of the studio. The younger Zanuck filed a \$22.2-million suit against his father in 1971, complaining he was wrongly fired from the \$300,000-a-year post.

Mr. Zanuck's most famous romance was with actress Bella Darvi, whom he discovered and who in 1954 starred in "The Egyptian," one of the studio's most successful ventures.

In addition to heading the studio, Mr. Zanuck formed a private production company in 1956 and produced "The Longest Day," a World War II story that won a Academy Award in 1963.

Mr. Zanuck left Hollywood in the 1950s to live in Europe and New York, but in 1971 he moved to his residence here.

Although he left school in the eighth grade, Mr. Zanuck became a highly paid screenwriter at 22; at 25, he was an executive at Warner Bros. He was instrumental in the production of the first talkie, "The Jazz Singer," which revolutionized the industry.

Specialty: Controversy
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Peggy Guggenheim

Peggy Guggenheim Dies; Was Major Art Collector

— and was involved in celebrated romances with playwright Samuel Beckett and painter Yves Tanguy. "I have no regrets," she once said. "A lot of it was a lot of fun. Painful, too, but love is always painful anyhow."

Mrs. Guggenheim's memoirs, "Out of This Century" and "Confessions of an Art Addict," were published in one volume in October. She had lived here since 1947, and in 1962 was named an honorary citizen of Venice. Her home here was the 18th-century Palazzo Venier del Leoni, the widest on the Grand Canal, where she allowed the public to view her collection twice a week. It was virtually a museum, in which she slept on a sterling silver bed designed for her by Alexander Calder.

Affectionately, Venetians called her Peggy la Pazza — crazy Peggy — and she smiled at the nickname. Just as intensely as she loved Venice, Mrs. Guggenheim hated her native United States which, she said, gave her an unhappy childhood and a distressing adolescence.

"I hate America," she once said. "I find everything there most to my dislike. They have all those robberies and muggings and it's inhuman. Everything's so impersonal... all those towns in the Middle West, all exactly alike. I think people in America are terribly unhappy."

She had announced she was leaving her palazzo and its collection to Italy through a foundation administered by U.S. trustees. It was a gesture in keeping with the family reputation for philanthropy, ranging from subsidies for band concerts in New York to Guggenheim Fellowships for scholars and artists. Shortly before her death, a curator from the Guggenheim Museum was at work cataloging the collection.

Considered one of the world's most important, the Guggenheim collection was said by one critic to have "done what many museums have tried to do, and done it better." It includes works by Picasso, Arp, Braque, Leger, Gris, Dalí, Duchamp, Miró, Mondrian, Ernst, de Chirico, Chagall, Klee, Kandinsky, De Kooning, Pollack and Henry Moore. It ranges from Cubism to Abstract Expressionism, but stops short of the pop and op art of the 1960s.

"Art started going to hell with pollock," she was quoted as saying. "It's vulgar and boring. There's nothing of importance any more."

The Guggenheim fortune was begun by Meyer Guggenheim, son of a Swiss Jew who emigrated to the United States in the 19th century. Starting as a peddler of lace and trinkets, he became a supplier of such commodities as coffee essence to the Union Army in the Civil War and then invested in silver and lead mines in Colorado, which proved a bonanza.

Qadhafi Says Amin
No Longer in Libya
PARIS, Dec. 23 (Reuters) — Deposed Libyan leader Idi Amin has left Libya, Libyan leader Moammar Qadhafi said in an interview published here yesterday. Col. Qadhafi did not tell the daily Le Figaro where ex-President Amin went.

The Ugandan fled to Libya in April after Tanzanian forces invaded Uganda and a new regime took over.

Turkish Diplomat Is Slain On Central Paris Sidewalk
PARIS, Dec. 23 (UPI) — An unidentified gunman pumped automatic fire into Turkish Embassy Press Attache Yilmaz Kalkan, 31, yesterday, leaving him dead on a sidewalk of the Champs Elysees.

A clandestine Armenian group called the Commando of Armenian Avengers told the French news agency that it killed Mr. Kalkan to avenge the massacre of an estimated 1 million Armenians in Turkey in 1915. Mr. Kalkan, director of the Turkish Tourist Office here, was shot near it at 11 a.m., police said.

Also yesterday, a bomb exploded at the Turkish Airlines office in Amsterdam, seriously damaging the building's facade but causing no injuries. Police said no one claimed responsibility for the attack.

Mr. Kalkan was the second Turkish diplomat killed in Paris in four years. Ambassador Ismail Erez and his chauffeur were shot and killed in October, 1975, two days after the Turkish ambassador to Austria, Denis Tunalioglu, was killed in his Vienna office.

A month ago, the commando claimed responsibility for bomb attacks that wrecked offices of Turkish Airlines, KLM and Lufthansa in central Paris, wounding two French policemen. Armenian nationalists also claimed responsibility for three bomb attacks on July 3 against Turkish offices in Paris in which one person was wounded.

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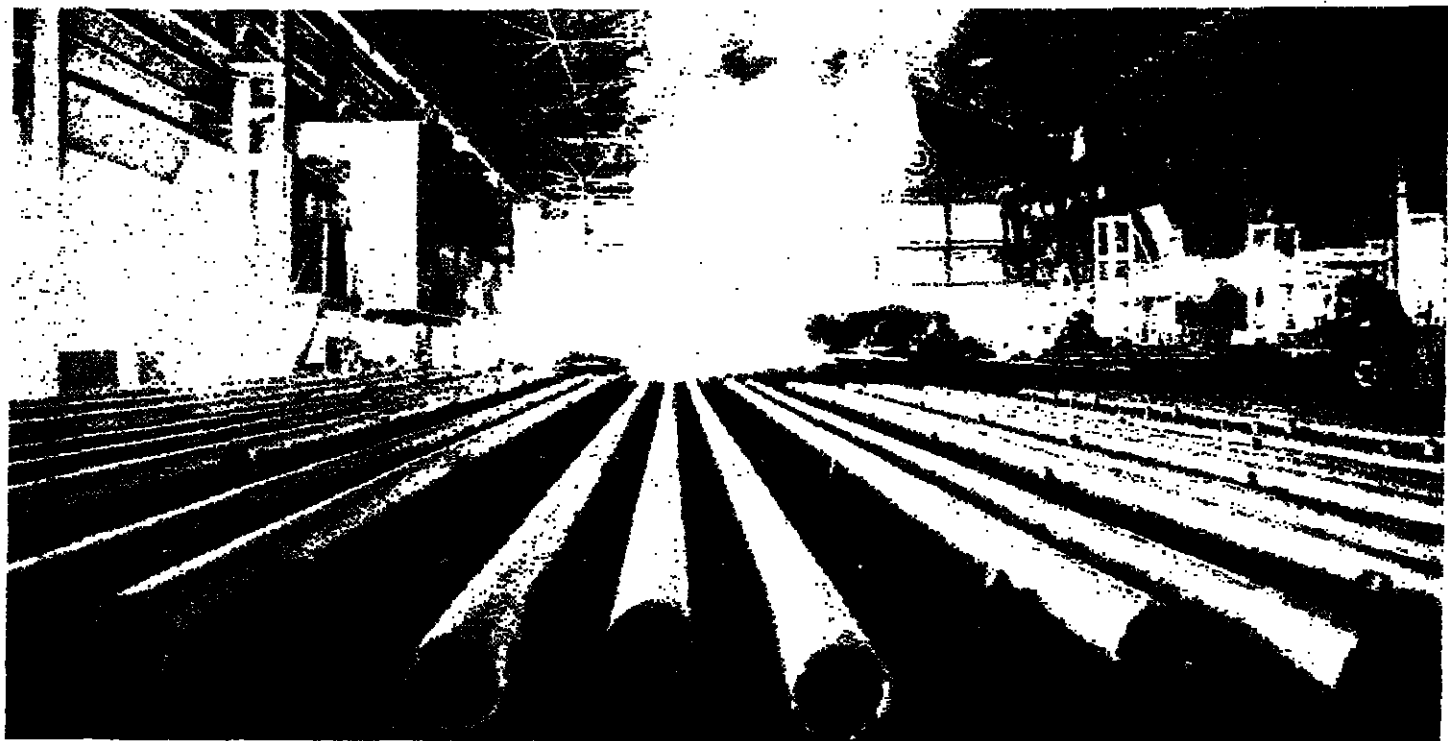
Yesterday's anonymous caller

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Interdenominational Congregation
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Monday, December 24
5:00 P.M. Family Christmas Carol Service
10:30 P.M. Festival Holy Communion
(The "Midnight Service")
Tuesday, December 25
11:00 A.M. Festival Holy Communion
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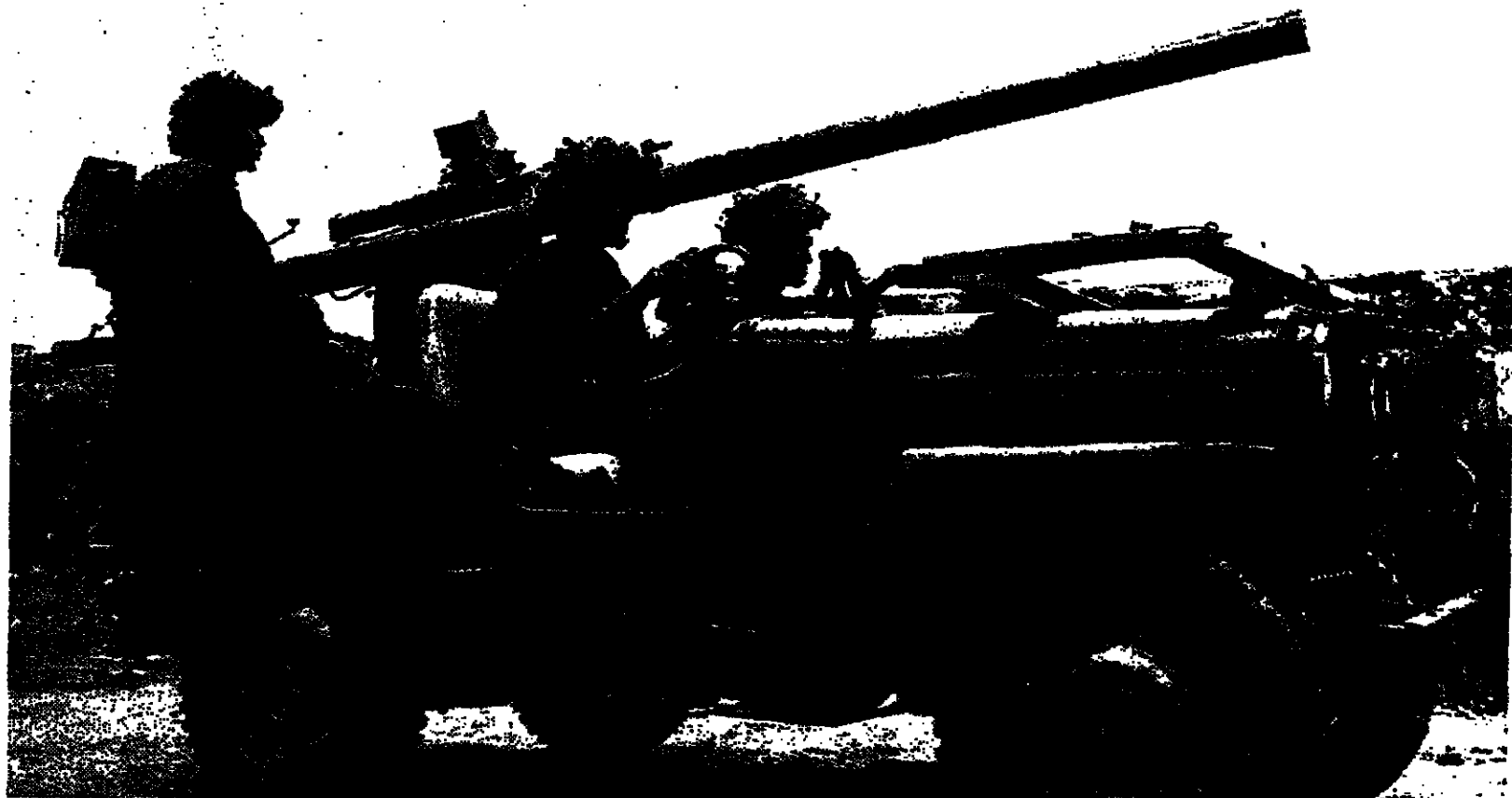
Tata trucks undergoing tests on the company inspection track.



Steel tubes manufactured by Indian Tubes of Jamshedpur.

INTERNATIONAL
Herald Tribune
Published with The New York Times and The Washington Post
PARIS, DECEMBER, 1979

Made in India



Self-propelled gun mounted on Jeep made by Mahindra & Mahindra for the Indian Army.

Sustained Economic Growth Accompanied by Rise in Incomes

By Michael Frenchman

NEW DELHI (IHT) — Above the chirping of the crickets and the lowing of oxen during a dusty Indian evening there is a new sound in the grainfields this year. It is the high-pitched buzzing and whir of thousands of small electric pumps used to irrigate more than 5 million hectares of land.

This is technology coming to the aid of the economy literally at the grass roots. Before the last harvest season, about 200,000 water pumps were given to farmers to help cut down the effects of the drought which periodically terrifies the torrential monsoons to destroy the crops. As it so happens this turned out to be a timely move as India is now suffering the effects of one of the worst droughts for more than a generation.

Such simple devices as these pumps help to stave off famine and are also having a marked effect on the overall economy which has shown signs of considerable improvement. In spite of the current drought, better irrigation has helped to maintain the level of food grains at 120 million tons — only about 10 to 13 million tons less than the last harvest. This reduction was more or less covered by the existing buffer stock and for the first time in a drought year India will not be importing any grain and will in fact be making some small exports to less fortunate countries nearby.

Oil Crisis Weathered In Surprising Time

By David Young

NEW DELHI (IHT) — India took a surprisingly short time to weather the oil crisis created by the crisis of the 1970s. Discoveries off Bombay and a firm control of consumption meant that within two years India's economic plan had been dragged out of the doldrums and was close on target.

The Indian oil industry's expansion target was, in fact, the only part of the government's economic plan to be revised upward. The draft production target of 7.1 million tons in 1974-75 was raised to 12 million in 1978-79 and 14 million in the following year. By the end of 1983 production should reach 18 million tons.

The foundation for this was laid in the late 1940s when the government of the day formed its broad policy on oil exploration and set up the oil and natural gas commission. A certain degree of self-sufficiency in oil has always been a cornerstone of Indian economic philosophy.

Building Rigs

Since then, the extent to which India has established an oil industry is remarkable. It has used United States and latterly British offshore expertise, initially relied mainly on hired equipment, but has developed a manufacturing capability and quietly got on with the job of building rigs and drilling wildcats in two oceans, in the jungles of Assam and in the deserts of the Gularat.

It is an achievement which underlines India's position as the 10th largest industrial nation as well as being a Third World country of villages and rural communities.

The major activity of the ONGC is presently in the Gulf of Cambay in the extreme north east of the Arabian Sea between Gujarat and the previous state of Bombay.

Oil has been flowing from ONGC wells north of Bombay

since 1958, but it was in 1962 that the first offshore seismic survey was made. In 1971 an Indian-built rig drilled some exploratory wells which were followed by a detailed seismic survey in some detail, using a hired Russian ship.

In an area about 100 miles northwest of Bombay, promising results were recorded. At a depth of 4,200 feet, possible oil-bearing rock was found, but at that stage Indian expertise was limited and American help was called in.

First Flow

Two years later, a test well struck oil. There had been failures in the past, but this field — Bombay High — began producing a low sulphur, high energy crude almost at the same time as the first oil began flowing ashore from the North Sea.

The Bombay High field will eventually deliver this good class crude from 20 wells. These rigs are working on exploration with another developing the production wells.

With a pipeline necessary to deliver up to a maximum of 12 million tons of crude a year to the refineries along the Bombay coast, the cost of this project has been enormous. It is estimated at \$1 billion, the money all coming from India's precious foreign currency reserves with strict budgetary measures being applied by ONGC officials.

This has resulted in a clear contrast between the one American-operated rig in the field and the others worked by Indian technicians. While the U.S. workers have the benefits of monthly leave and regular supply flights from Singapore, with such traditional necessities as blueberry pie and T-bone steaks, the Indian crews make do with curry and chapatis and the occasional ride home if there is space available on a helicopter.

Despite this difference, the Americans and other outsiders in (Continued on Page 10S, col. 8)

The latest annual report of the World Bank comments favorably on the last four years of sustained growth of the economy. External reserves have now swelled to \$7 billion, and imports, further liberalized in the last financial year, increased by 19 percent.

The report said that "Fiscal 1979 was another prosperous year. Overall economic growth is tentatively estimated at 3-4 percent, after 7 percent in the year before. Four consecutive years of healthy growth have now occurred accompanied by a significant rise in per capita incomes."

Through improved agricultural extension programs, production last year was a record and there were growing indications that the "floor" level of food grain crops has now moved upward. Although industrial output could not match that of agriculture last year, the current fiscal year has shown a substantial improvement to around 7 or 8 percent.

It had been affected previously by a year of renewed labor disputes, power shortages (still a major problem) and a continuing demand for restraint which meant considerable underutilization of industrial capacity. Nevertheless the indications are that activity has generally increased during the course of this year.

Basic Industries

The somewhat stagnant basic industries like iron, steel, and construction picked up rapidly from the start of the year and led to an expanded demand for raw materials some of which could only be met by an increase in imports and an absorption of stocks, particularly cement.

Imports for 1977/78 rose by 19 percent to 60 billion rupees, of which oil and petroleum products together with capital goods formed the major share. The most significant increase was the 625 percent rise in nonmineral oils and fats. Exports rose by 4 percent to 53 billion rupees. Tea exports rose by 89 percent and handicrafts by 65 percent. Apart from jute, coffee and engineering goods, most other products fell dramatically, particularly iron and steel products (down 36 percent).

A variety of external factors contributed to the decline in exports over

the past few years. They had reached a peak growth rate of 27 percent in 1976 but world commodity price fluctuations and the value of the rupee against the dollar had a major adverse effect on the overall export scene. The one bright spot was the production from the so-called cottage industries — handicraft goods and jewelry — which showed a sharp up turn and reached a record value of more than 7 billion rupees.

However, the trading position is likely to worsen before it gets better and the deficit may reach above the 10 billion rupees level in the next financial year.

Invisible Earnings

During recent years invisible earnings, which have risen steadily, have formed a major offset to the decline in visible exports. At present information on the exact figures for some invisibles are hard to quantify, or nonexistent.

A major new source of invisibles is the transfer of funds, or remittances, from Indians working abroad, particularly in the Gulf states where many thousands of workers are engaged on construction projects. Another factor is the increase in activity in the tourist market which has by no means reached anything like its full potential. If further development takes place tourism could become a significant major currency earner.

Although India's current external reserves are more than 7 billion rupees, it is still heavily dependent on outside financial assistance and is likely to remain so for some time to come. There has been an average decline in aid over the past four years but the high cost of debt servicing has risen sharply. This amounted to 62 percent of the gross aid currently received compared to only 37 percent in 1975/76.

Gross foreign aid payments now amount to 15 billion rupees. The Aid India Consortium and other donors have pledged about \$5 billion but this is likely to be reduced to \$3.4 billion for the coming financial year. India has repaid a \$245 million oil facility to the IMF, its only outstanding commitment.

The internal sector of the economy has been much less affected as far as inflation is concerned compared to many other countries, if it is taken into account that about 250 million people out of a population of more than 600 million are on or below the poverty line.

According to official figures, wholesale prices have only been rising at between 2 and 2.5 percent, largely due to the many improvements mentioned earlier in the agricultural sector. But like everything else, the vagaries of the weather can have a drastic effect — even on inflation, which suddenly quadrupled in the first half of this year after serious flooding last year, followed by a drought that forced up the prices of staple foods.

Many of the state governments, which largely rely on deficit financing for their public spending programs, find that their major preoccupation is with flood control and adequate power supplies.

The contrast between India, one of the world's largest agricultural-based nations and any industrialized nation is dramatically sharpened by looking at man-made and natural cause and effect in their economies. The industrialized nations could try to do something to alleviate higher oil prices which affect their way of life. Indians, on the other hand, can do little about the weather. Their \$200 pumps may correspond to a \$2 cut in the price of a barrel of oil but it is no real match for the heavens above.

Home Technology For 5th Atom Plant

By Pearce Wright

NEW DELHI (IHT) — A site for the fifth nuclear power station in India is being examined by the Department of Atomic Energy. The design and construction of the new plant will demonstrate how close the nuclear industry in India has come to self-sufficiency. More than 90 percent of the work on the new station will be provided by indigenous technology, leaving a number of strategic components to be imported.

The achievement of the Department of Atomic Energy over the past 15 years in stimulating conditions for the birth of this young industry is not widely recognized in the West. The awareness that came five years ago when a nuclear device was exploded by India, ostensibly to test a technology intended for peaceful purposes under a Nuclear Explosives for Engineering Program, probably did more to obscure than to clarify the full nature of the country's progress in atomic matters.

There is an argument that undue interference from other countries, prompted by that explosion, hindered the atomic energy agency in completing the number of nuclear stations planned for 1980.

Linked Choices

The story of India's nuclear power policy is fascinating for a number of reasons, but especially because it sheds light on the way that the technical choices facing one country can differ from those facing almost another. Such choices are inextricably linked to the political and economic aspirations of the nation.

The foundations of the Indian nuclear power program were laid by the late Homi Bhabha, with the establishment in 1945 of the Tata Institute of Fundamental Research, in Bombay, for basic studies in nuclear science and mathematics.

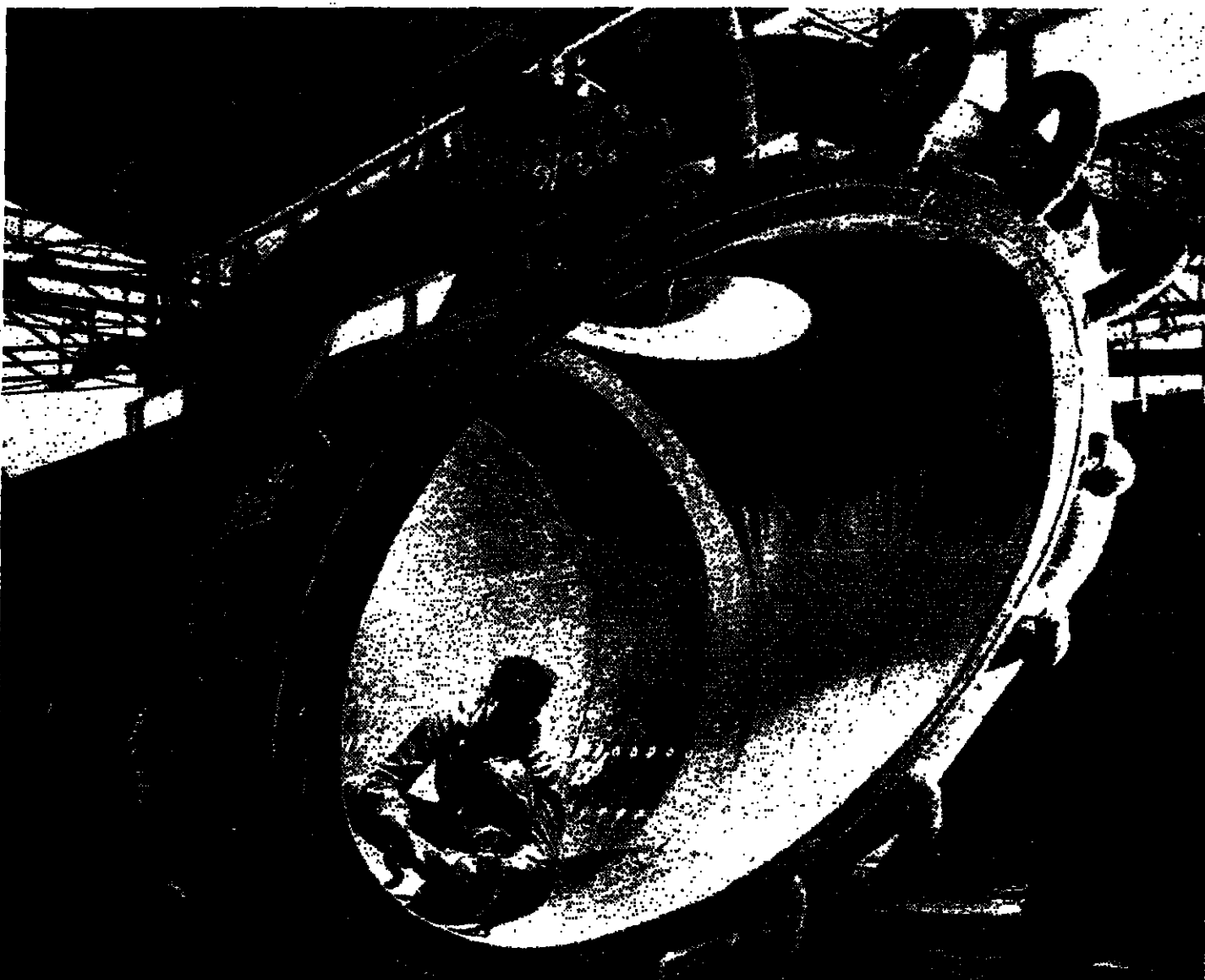
Dr. Bhabha commanded great respect among his contemporaries in the scientific world, thus securing

willing cooperation from the United States, Britain and Canada in the 1950s and 1960s. An equally powerful bond was established between Prime Minister Nehru and Dr. Bhabha about the potential benefits of the new technologies to help India establish an industrial base.

India was the first country in the developing world to benefit from the Atoms for Peace program conceived by the United States. Britain, France and Canada to remove some of the more stringent regulations over the exchange of nuclear information. Before this happened, the Atomic Energy Commission at Trombay was created in 1948 and in the same year the Rare Minerals Survey established. It was the discovery of large deposits of thorium and some uranium by the survey that introduced one of the major technical factors influencing the technical choices ahead.

The world's largest deposits of thorium are in India. By comparison, the available uranium ores are very sparse. Thorium has nuclear properties similar to those of uranium-238. Although they are not fissile materials to be used directly as nuclear fuels, they are fertile materials that can be converted by neutron bombardment into the fissile materials plutonium-239 and uranium-233. Both of these substances can be used as nuclear reactor fuel or for explosives.

From the early 1950s, nuclear technology developed at a rate comparable with the advances in North America and Europe. In fact the first research reactor at the Bhabha Atomic Research Center, Trombay, went operational in 1956. Apart from the nuclear weapon powers, only Canada, Norway and Belgium were in the field sooner. As the first Asian reactor, the 1-megawatt swimming pool type of design was given the acronym Apsara. In 1960, a joint Indian-Canadian enterprise produced the 40 megawatt CIRUS. (Continued on Page 10S, col. 4)



Equipment for steel plant made by Larsen & Toubro.



Arms Industry Heading for Self-Sufficiency, Eventual Exports

By S. Sapru

BANGALORE (IHT) — When an Indian Army jawan, a line soldier, was recently asked what he liked best about the Indian Ishapore 7.62mm semiautomatic rifle, he said simply:

"It is easy to handle, faster on loading than the old .303 and accurate. Too fast a rifle is not always accurate."

This is the best testimonial that India's arms industry can get from the man who handles these rifles.

When the British-designed and Indian-built Folland Gnat Mk I and II jets did well in the 1965 war with Pakistan, the NATO nations looked askance at the design they had rejected. When the obsolete British Centurion tanks did well against the Patton tanks, there was consternation.

Pace Increased

In 1947, India inherited 15 ordnance factories from the British dating from the 18th and 19th centuries. They were reorganized and put under the control of the defense ministry. After the border conflict

with China in 1962, the department of defense started its own production, and other units, known as defense public undertakings, were also set up.

Two five-year military plans (1964-69 and 1969-74) envisaged the indigenous design and development of weapons for the three services, as well as an increase in the pace of local production of arms, equipment, ammunition and spare parts, to reduce dependence on foreign sources.

In what ways has India achieved self-sufficiency in its weaponry, and at what cost?

The 1978-79 military budget has provided \$632 million for ordnance plants. The production for 1977-78 was about \$450 million.

The investment in the nine public sector undertakings manufacturing military and related equipment was \$322 million and the value of production for 1977-78 was estimated at \$531 million. These units employ about 250,000. This is a far cry from the \$6 million worth of equipment they turned out in 1947.

In 1963, the 7.62mm semiauto-

matic rifle was completely designed and built in India. Popularly known as the Ishapore rifle, it gives the speed to the jawan as it does accuracy. Further streamlining standardized ammunition to 7.62mm for all small arms.

Machine Gun

The 7.62mm light machine gun is another weapon in the same family meant for infantry. The 81mm mortar was produced under licence to replace the old 3-inch mortar and the 120mm mortar to replace the old 4.2-inch mortar.

With the accent on mountain formations after the Chinese encounter in 1962, a gun was designed and produced that can be broken into mule packs for transport. To replace the old 25-pounder of World War II, a new field gun has been developed, production of which has already commenced.

The L-70 anti-air gun is radar controlled and has already proved its worth. For mountain artillery, the 75/24 pack howitzer has been developed for better range and

quick and easy transportation. In addition, ammunition and propellants for all the guns big and small for the army, the navy and the air force are now being manufactured by the ordnance factories.

The heavy vehicles factory at Avadi, in Tamil Nadu, rolled out its first tank in December, 1965. Known as the Vijayanta (victorious) it was used in the 1971 conflict with Pakistan. It is being built under licence from Vickers. Its 105mm gun is manufactured here and is the same caliber as that fitted to the U.S. M-60 and the West German Leopard tanks. This medium-sized 38-ton tank is also manufactured here. Since 1970, another design (successor to the Vijayanta) has been under way.

In addition to this, parallel development of a self-propelled gun for this tank and manufacture of armored personnel carriers (APCs) with Vijayanta chassis has been in preparation.

Mobility for Forces

To ensure mobility for the armed forces, the manufacture of 3-ton Shaktiman trucks was undertaken with West German collaboration and in 1960 with Nissan of Japan for one-ton vehicles, called Jongs.

When the first Indian-built Gnat (Marut) was demonstrated along with the F-16 (Kiran) trainer at the Farnborough Air Show in 1972, the then chief of the Indian Air Force, Air Chief Marshal O.P. Mehra, said that there was an export market for the Gnat and the Kiran.

Hindustan Aeronautics Ltd. (HAL) is a synonym for the aircraft industry in India, and ever since 1940, has been something of a pioneer in this part of the world. From overhauling engines for the U.S. Army Air Forces deployed in the East in World War II to manufacturing Percival Prentice aircraft under licence, it went through a process of rapid expansion and sudden contraction.

After independence, the company was taken over by the government and the manufacture of HT2s (first Indian primary trainer), Krishaks, Gnats, HS 748s (Avros), and the Indian HF-24 were undertaken.

One of HAL's biggest achievements was the manufacture in just under five years of a wholly made Indian MiG-21. In its 11 factories

dotted all over India, the HAL has produced the French-designed Alouette helicopter and later its Indian version, the Chetak. The MiG-bis with the latest modular engine technology will also soon roll out.

New Technology

The decision to acquire the British-French Jaguar for the Indian Air Force (amid controversy) will benefit HAL, as it will again bring new technology to India. Indian made Jaguars will roll out in 1982 and though by Western standards they might not represent the latest technology in the world (remember the Gnat), it will suit India and its needs amply.

The HAL's overhaul facilities are the best East of Suez and it has also recently won an export order from an East European country. The recent announcement of the likelihood of the Russian AN-32 being selected for the transport fleet of the IAF will also provide an opportunity for the HAL to handle new design and technology.

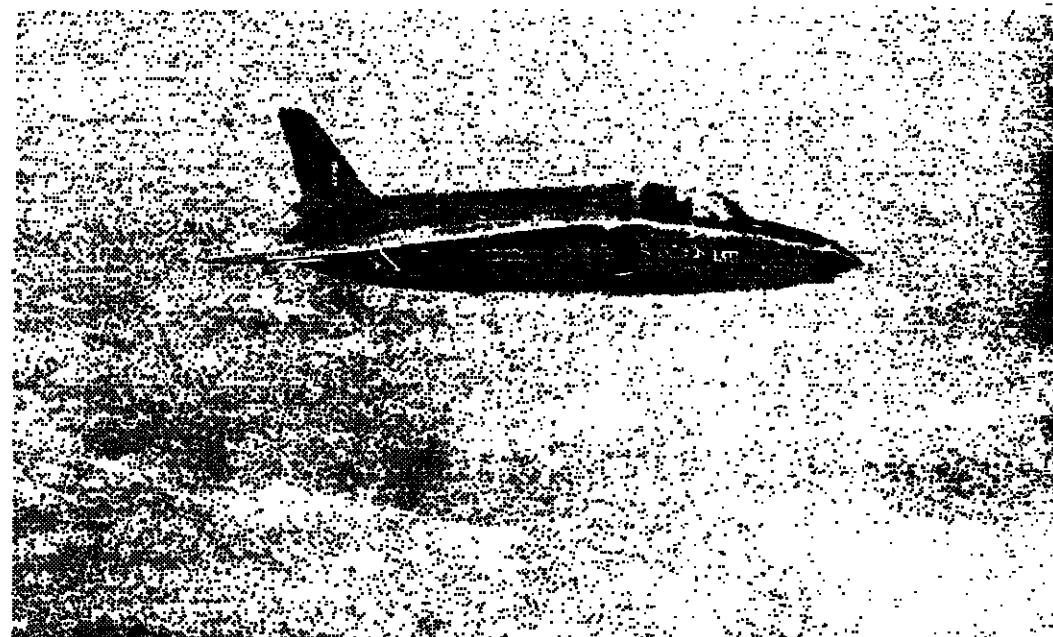
When the British left, the Indian Navy had a few sloops and overage destroyers. It purchased a few more of these to keep the navy going. But for future needs, it was decided to manufacture the Leander type of frigates for which a licence was obtained and the sixth of these was launched last year.

Most of the equipment for these frigates comes from indigenous sources, both private and public. The Mazagon Docks where the Leanders are being built is working on a new design for a frigate of the 80s. Side by side with this, the Garden Reach Workshops are turning out smaller vessels for the navy and other civilian uses.

The Bharat Earth Movers (BEHL) is another public sector unit making heavy earthmoving equipment and items like tank carriers and crawlers which are used in the military and civil sector. This unit also produces rail coaches for the railways.

Basic Components

Today's forces cannot survive without electronics, and India's industry is now producing most of its requirements within the country. Last year Bharat Electronics Ltd. (BEL) exported about 25 percent of its production. The BEL is also helping the electronics industry in



The Indian-designed and manufactured Ajeet.

the country by making basic components like TV tubes and radio valves, which individual manufacturers use to make different types of equipment.

In all this national effort, the role of military research and development has to be taken into account. The Defense Research and Development Organization was set up by the government to coordinate research activity in many of its laboratories throughout the country.

Increasing Might

For instance, French ENTAC missiles were being made under licence and simultaneously the research into cluster rocket technology was started by the department of space. In this, even technical colleges and universities are involved. The Indian Institute of Technology, the Indian Institute of Science and the Birla Institute of Technology have contributed their mite. The last named has developed a missile which is hand-carried by a soldier and can be fired from the shoulder. It has a range of five kilometers.

Recently, the head of Mitsubishi advocated the export of arms by his country as a means of averting a recession. It received only guarded support, for arms and military are taboo even today in Japan.

India is today in a somewhat similar position. With nonalignment and nonviolence as the basis of the nation's foreign policy, it will be difficult for any Indian government to advocate the export of arms. But a stage comes in a nation's life when sentiment has to give way to pragmatism. The example of Israel and its arms industry is very relevant here.

Since 1945, the number of countries in the world has grown. Most of these are in Asia, Africa and the Middle East. More and more states want to buy arms, and others want to sell them. Between 1965 and 1974, the value of all arms transfers went up to more than \$8 billion a year. Since then, it has passed \$10 billion.

It is an accepted fact that high-level technology cannot be absorbed overnight, for it requires local talent and industry which most Third World nations do not possess. Iran is a case in point and so is Libya with an army of 30,000 and 2,000 tanks. Advisers from the supplier nation have to come to keep the tanks going.

If anything, this proves that material resources alone cannot make a nation self-sufficient. The human element is vital, and education and training is essential. Here, the ex-

ample of India is pertinent. Even during World War II, India produced military equipment for Allied forces, but this was possible because the nation had both material and trained human resources.

India has the advantage of being able to understand what the American, Asian or Arab wants. The boom has shown that Third World workers can handle Indian production easily. While Indian technology perhaps one step ahead of the workman, Western technology four steps ahead.

Working for Profit

The military production capacity of Indian units is underlining making it possible to export selected pieces of equipment from military units.

Since independence, India has trained military personnel for other nations in Africa, Asia and the Middle East, so Indian equipment would not be difficult for these countries to utilize. But political considerations get in the way.

There are risks involved in exporting of arms can sometimes clash with a nation's foreign policy. But with caution and a pragmatic approach, India will be able to use its spare capacity and its arms.



A Vijayanta tank on maneuvers.

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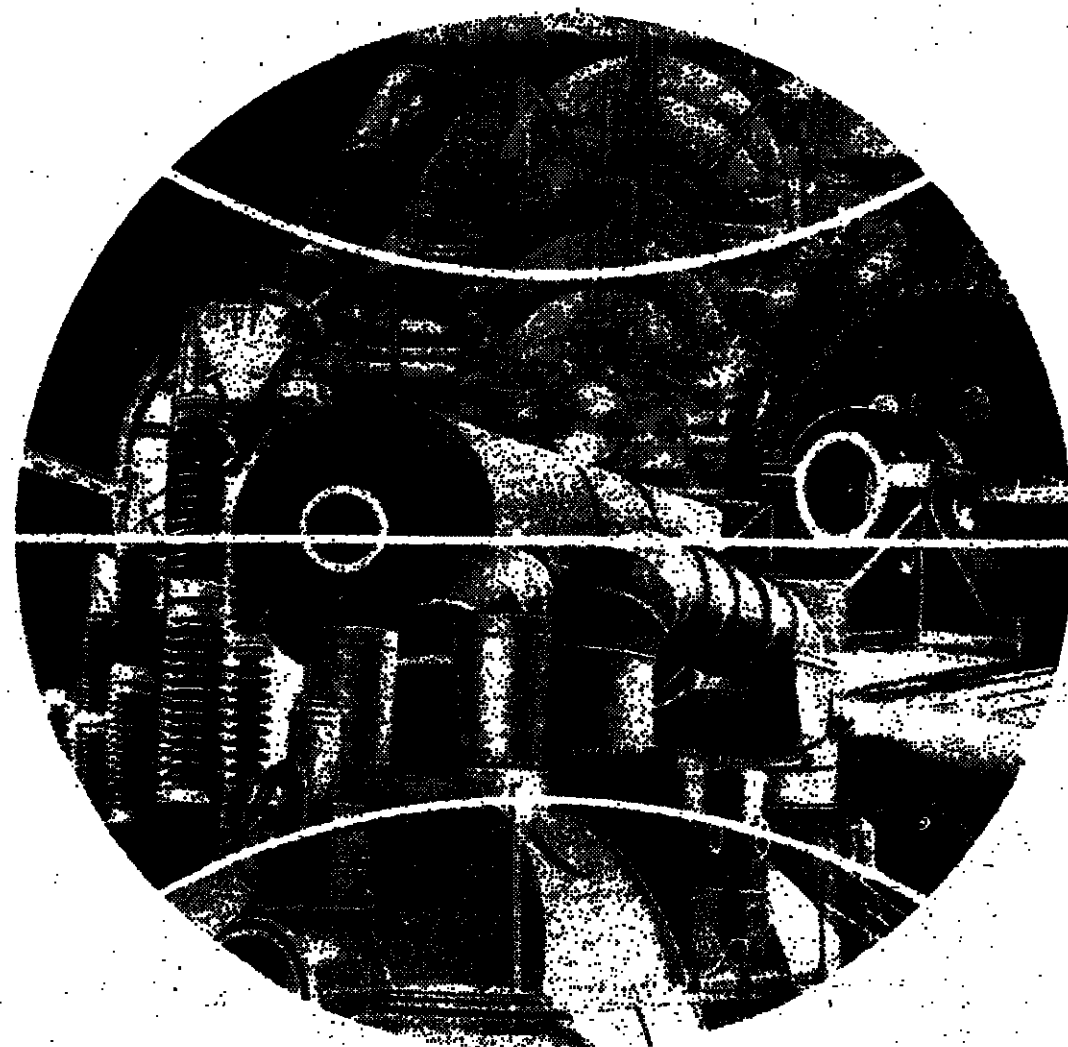
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China-India Rapprochement Easier to Calculate Than Achieve

By Harvey Stockwin

HONG KONG (IHT) — As China began its border war with Vietnam last year, it did so in such a way as to prolong the diplomatic legacy of its border war with India in 1962.

In the wake of the 1949 revolution in China, and independence in India in 1947, it seemed briefly during the 1950s as if the two numerically largest nations in the world would coexist in a cordial spirit of Asian togetherness.

The 1962 border war put paid to that, replacing fraternity with fury. India looked increasingly to support from the Soviet Union, while China supported Pakistan with words and arms supplies in the India-Pakistan wars of 1965 and 1971.

Phone Call

This negative pattern sustained itself through the 1970s, until the Janata government began to make belated moves toward rapprochement. A complete breakthrough was not achieved. Now, events could be moving toward rekindling Chinese-Indian tensions rather than ending them.

In February, then Foreign Minister Atal Bihari Vajpayee was in China for the first high-level ministerial visit from India in a long time. The talks were modestly successful in Peking. But while the for-

sign minister was still in the provinces, he learnt that Chinese forces had crossed into Vietnam. He was not informed in advance by the Chinese, but heard the news from an Indian journalist who had spoken on the phone to New Delhi.

Quickly, he cut short his visit by a day. But the already controversial initiative was inevitably greeted with more questioning upon his return. Peking's lack of tact and sensitivity in not informing Mr. Vajpayee probably reflected Chinese concern that the Indians would pass the information on to the Russians.

It also illustrated the faults that frequently characterize China's relations with its neighbors — and hardly reassured the Indians that securing a rapprochement with them was high on China's list of priorities.

Since then, the Janata government has fallen, and India's domestic preoccupations make the effort to improve relations with China one more item of unfinished business which will have to await the emergence of a stronger Indian government. The abortive episode is a reminder that Chinese-Indian rapprochement is more easily calculated than achieved.

Crucial Issue

The crucial issue remains at that point where the Chinese victory in the brief border war left the scene.

India still insists upon the borders bequeathed by the British. China sees this as part of the product of unequal treaties. Beyond these legal postures, the Chinese strategic road, from Tibet to its far western province of Sinkiang, runs through the Aksai Chin area of Ladakh — an area which India claims but China controls.

If New Delhi and Peking ever reach the political point where they can do a deal, then Peking could concede to India all its claims in the northeast frontier along the McMahon Line, while India could concede what it does not own — Aksai Chin.

This remains a big "if." Peking presumably has no problems, since such a deal was implicit in Chou En-lai's diplomacy both before and after the border war. Public opinion and emotions are not a factor for the Chinese, but they are for the Indians. Any Indian government would face difficulties, even now, if it horse-traded India's "sacred soil".

Conceding Aksai Chin implies that India was wrong to force the border issues the way it did in 1962. Democratic India would obviously find it hard to make such an admission. As with so many other issues, the Janata government had an opportunity to put the past behind, but failed to take it. Now, while China remains willing, India looks like being incapable. It will require

a strong government in New Delhi to make that basic concession over the Aksai Chin.

Ghandi's Clout

Foreign observers speculate that if Indira Gandhi returns to power, she might have the clout and the intention to end the impasse. Pakistan has long sought to buttress its perennial insecurity, vis-a-vis India, by maximizing its ties with China, which, in turn, has placed limits on how far Islamabad has been willing to go with Moscow.

An additional factor in this complex pattern was Iran's growth as a military power under the shah. The shah made it quite clear that this power would be used to defend Pakistan's sovereignty. China's relations with Tehran were the closer as a consequence, while India's were somewhat strained.

The easing of this pattern under the Janata government was one factor which made the Vajpayee initiative possible. China lost both former Pakistan Prime Minister Zulfikar Ali Bhutto, as well as the shah. Peking obviously feels much less comfortable with an assertively Islamic government in Tehran and Islamabad.

Indo-Pakistan relations grew less hostile though not appreciably warmer. India, under Morarji Desai, made a greater effort to be more truly nonaligned between the superpowers which, in turn, gave Peking more incentive to be friendly.

Second, Chinese-Soviet hostility is finding renewed focus over Soviet attempts to reduce Afghanistan to satellite status. No evidence has emerged that China is actually helping the rebels against the Kabul regime,

except that Moscow blames China and the United States for creating the quagmire in which the Soviet Union increasingly finds itself.

Islamic sympathy certainly reaches out from Iran and Pakistan to the rebels — the more so since a consolidation of the Marxist regime in Kabul would have obvious implications for both of them.

The only safe conclusion would seem to be that the way in which Chinese-Soviet relations develop toward Afghanistan, Pakistan and Iran will obviously have considerable impact on New Delhi's attitudes towards the two.

The third circumstance could be the one with the most ominous implications for the region, and even further afield. This is the danger that nuclear proliferation will attach itself to the underlying — and undying — antagonism of India-

Pakistan relations. The United States is already bringing maximum pressure to prevent Pakistan from "going nuclear," but this has the side-effect of further weakening the already limited degree of U.S. influence in the subcontinent.

If Gen. Mohammed Zia ul-Haq goes ahead and explodes a nuclear device, (in the next few months or years, depending on whose calculation proves to be the most accurate) then an Indian response will be inevitable. Already it looks as if Mr. Desai's decision to restrain any Indian development of nuclear weaponry will be overturned.

Where this will leave Chinese-Soviet antagonism is anybody's guess. Suspicion that China may have helped Pakistan along the nuclear road — nurtured by some of former Prime Minister Bhutto's elliptical statements — will obviously be a

factor in Moscow's and New Delhi's thinking. The Soviet Union and the United States record of using Soviet backing to help Indian interests would probably make Peking wary of dealing with the country.

This only recalls that in Chinese-Indian relations, emotional antagonism is latent on both sides. Mr. Vajpayee's initiative was all the more notable since it tried to break through the disdain which both New Delhi and Peking often show to making the first move of a compromise.

But the key imponderable is that the calculations and emotions behind India-Pakistan relations are inextricably mixed with the calculations and emotions of the Chinese-Soviet antagonism.

Thus, in a nutshell, China has verbally attacked India for being "expansionist," and sought to block that expansionism through its alliance with Pakistan. India, on the other hand, has sought to neutralize any Chinese armed opposition to its aims by shoring up its position, vis-a-vis Pakistan, with its 1971 friendship treaty with the Soviet Union.

Lastly, the absence of any sharp India-Pakistan differences has meant that Chinese-Soviet rivalry had no issues to feed upon. Nevertheless, it was noticeable that before and after Mr. Vajpayee's trip to Peking, there was a considerable amount of high-level Soviet diplomacy in India's direction, with Prime Minister Kosygin among the visitors to New Delhi.

But this could have reminded Indian officials and politicians that a more detached position in the Chinese-Soviet dispute could be to India's advantage. Now this favorable drift may be ending, and the prospects for Chinese-Indian détente fading, under the pressures of three circumstances.

First, there is the domestic political instability in India. Iran and Pakistan, which in itself hardly provides a sound basis for maturing diplomatic relationships.

Oil Crisis Reaction Was Swift

(Continued from Page 75)

the Bombay field are filled with admiration for the way that the Indians have quickly adapted to oil field work. They are regarded as on a par with Dutch and German crews — the best in the business — and certainly in a far better light than Saudi and British crews.

Monsoon Waves

This respect has been won in difficult and dangerous conditions. Although the water in the area is not deep and drilling conditions are easy — "like pushing a hot poker through lard" — the monsoon produces huge waves, the most torrential rain in the world and winds higher than those encountered in the northernmost sectors of the North Sea.

Now serious exploration has begun on the other side of the continent off the Andaman Islands, and new and different conditions are being encountered. Again the majority of exploration and production work is in the hands of the ONGC crews and a degree of U.S. aid.

This policy of having as much of the work done by Indian crews and as much as possible supplied from within India is largely due to currency considerations, but it does fit in with the broad policy of conserving resources and there is little doubt that production is kept below technically feasible levels.

Refining capacity is to be increased in the coming year to 37.5 million tons, with local and Middle East production supplemented with possible new supplies from China, Mexico, Indonesia and Venezuela.

Record Profits

The latest statistics issued by Das Gupta, chairman of Indian Oil, show a record after-tax profit of 62 million rupees in 1978-79. Turnover was also at a record level of 35.64 billion rupees, sales of petroleum products reached 17.29 million tons and refineries handled a record 10.95 million tons of crude.

Fears that profits would fall, said Mr. Gupta, had not materialized as reduced profits from refining had been offset by increased profits from pipeline activities and marketing.

However, refining profits could take a dent if India goes ahead with its plan to import as much as 16.5 million tons of Chinese crude at below current OPEC prices. No official statements have been issued on the matter but oil company experts predict that existing Indian refineries would find it difficult to fully utilize Chinese crude and that costly modifications, or even a completely new refinery, will be needed.

In addition, India is already finding that even its limited oil production and petrochemical industry is being watched by environmentalists. A government pledge has been given that one refinery under construction may even be halted if it poses a pollution threat to the most famous of all Indian monuments — the Taj Mahal.

Creating Basis for Nuclear Energy

(Continued from Page 75)

a heavy water research reactor, that was later to cause international friction. This was the source of the plutonium from which the explosive was constructed.

The generous flow of technical assistance that had gone to India was interrupted overnight. The effect was widespread because a large number of projects were being conducted with different countries. Cooperation ended on many of them and the consequences are still felt. For example, the most advanced reactor project is a Fast Breeder Reactor experiment based on the French work on Rhapsodie.

In the long term, the fast breeder offers India almost limitless nuclear fuel by converting thorium to uranium-233. But the test fast reactor at Kalpakkam, near Madras, requires initial supplies of enriched uranium fuel from France and other strategically important components. Delays in obtaining these items are a direct outcome of the international difficulties of exploding a nuclear device. Nevertheless, the Indian authorities have come close to completing the targets set for a 10-year program between 1970 and 1980.

The main items were for:

- The commissioning of 2,700 megawatts by 1980.

- Design and construction of advanced thermal reactors of about 500 megawatt size that would cut the unit cost of power stations, while still producing plutonium for future fast breeders.

- Completion of the Fast Breeder test reactor to gain experience in the fuel fabrication and reprocessing technologies of plutonium and uranium-233 bred from thorium.

- Construction of new heavy water plants to produce 300 tons a year for the first generation of Indian nuclear stations, using natural uranium reactors needing heavy water as moderator.

- Development of enrichment plant and commercial reprocessing plant.

India has two stations in power production and several others nearing completion. The stations in operation are a 380 megawatt plant commissioned at Tarapur in 1969 and a 400 megawatt plant at Rana Pratap Sagar. Other stations with twin 235 megawatt reactors are the Madras Atomic Power Station 1 and 2 plants and Narora 1 and 2. The second Narora reactor is not scheduled until 1983. That should bring installed capacity to 1,400 megawatts. Narora 2 was expected to mark the end of the generation of

nuclear stations using natural uranium fuel and heavy water as moderator. However the fifth nuclear power station for which a site is now being chosen is expected to continue this technology with which India has extensive experience.

Revised Goals

The targets set a decade ago have been scaled down because of delays in bringing the plants into operation. The Indian government starting its Sixth Plan for nuclear power based on five-year rolling forecasts. On present performance levels, the industry should be generating more than 1,500 megawatts of electricity a year by the end of 1983; by 1991 it should provide 6,000 megawatts a year. That, however, will be only 7 percent of the electricity demand expected to be required for the last decade of the century.

The transition from heavy water-type reactors to fast breeders will depend on the outcome of the test reactor at Kalpakkam. However, the pressure to move to the more advanced technology will begin to build rapidly in the mid-1980s as indigenous uranium resources dwindle and prices in international markets rise. An estimate of the proven fuel resources in India is 52,000

tons of uranium and 320,000 tons of thorium suitable for a thorium-uranium-233 breeding cycle.

Other thorium deposits are believed to be available, but there is no such optimism about prospects for indigenous uranium exploration. It would be difficult to support more than a 5,000 to 6,000 megawatt nuclear program from domestic uranium reserves. Hence, the priority given by the Indian Atomic Energy Commission to the test breeder reactor. Indications are that experiments with the type of fuel needed for a large scale station and the reprocessing of thorium from a blanket of fertile material, in which the conversion to uranium 233 takes place, will be possible by the end of next year.

Although a reprocessing plant exists at Trombay, where the plutonium-239 was obtained from the CIRUS reactor fuel, a larger plant will certainly be needed when the amount of reprocessing reaches the scale necessary for fuel rods for a power reactor. The choice of building a new plant or entering into an international arrangement with one of the major nuclear powers for this service raises one of the most difficult political and economic issues for India since it began its nuclear program.

CREUSOT - LOIRE GROUP

50,000 persons
70 production plants in FRANCE and abroad
A turnover of 3 billions U.S.\$ in 1978 (60% exported)

- Steel products (high grade and special steels)
- Forgings and castings
- Heavy fabrication
- Mechanical equipment and plants
- Machines and equipment
- Steel structures
- Plant design and engineering
- Nuclear industry

ACTIVITIES OF THE CREUSOT-LOIRE GROUP IN INDIA

The CREUSOT-LOIRE group has been working regularly with Indian Companies for many years. In addition to the sales of special steels and mechanical engineering equipment, CREUSOT-LOIRE has finalised several collaboration agreements during the past twelve years which makes it the leading French organization in that type of activity.

COMMERCIAL ACTIVITIES

CREUSOT-LOIRE is exporting to INDIA special steel plates for pressure vessels, stainless steel plates for nuclear reactors, forgings and castings for steam and water turbines, drill-collars and other oil drilling tools, complete wheel sets for railways, traction equipment, steam turbine components and rotary web offset printing machines. Regarding this sector, the Printing Department of CREUSOT-LOIRE has developed a line of web-fed offset rotary presses, comprising two types of machines specially intended for the daily press.

1—The standard and super "GAZETTE" for newspaper of small and average circulation;

2—The "TRIBUNE" for newspapers of wide circulation.

The HINDU of MADRAS, the oldest Indian daily newspapers, already owns two "GAZETTE": one is in operation at HYDERABAD and the other at MADURAI.

Moreover, two "TRIBUNE" offset rotary presses have been installed at the printing works of the INDIAN EXPRESS in BOMBAY, each machine can print a 16-page newspaper at the rate of 45,000 copies/hour. Besides the above presses now in operation, CREUSOT-LOIRE has also received some more orders for similar modern printing equipment, among others: 3 GAZETTE machines to be delivered in the course of 1980 to THE PRINTERS (MYSORE) and one to the MATHRUHUM company in CALCUT (KERALA).

The different types of machines produced by our PRINTING DEPARTMENT are of modular construction and, as such, particularly well adapted to the Indian market of daily newspapers.

TECHNICAL COLLABORATIONS

The contribution of CREUSOT-LOIRE to the industrial development of INDIA involves the transfer of technical innovations and know-how of the Company to several vital sectors of the Indian economy and in particular to:

BAHRAT HEAVY ELECTRICALS Ltd., has established with the collaboration of CREUSOT-LOIRE a fully integrated foundry-forging plant at HARDWAR. Complete production know-how was made available by CREUSOT-LOIRE from the steel melting shop to finishing through the supply of basic technological documents training of Indian personnel in FRANCE and expert operational assistance.

BIHAR ALLOY STEEL LTD., its plant in PATRATTU, near RANCHI, with a nominal capacity of 40,000 tons per year, has been established according to the design and engineering of CREUSOT-LOIRE ENTREPRISES and in technical and financial partnership with CREUSOT-LOIRE.

MISHRA DHATU NIGAM LTD., established in HYDERABAD, is well ahead in the implementation of a fully integrated plant for the production of sophisticated superalloys and special metals. CREUSOT-LOIRE's contribution includes the transfer of know-how for the production of most of the alloys required by the aerospace industry, electronic equipment and telecommunications, etc.

JESSOP & COMPANY LTD., is now manufacturing in collaboration with CREUSOT-LOIRE a large range of sawing and sharpening machines for ferrous and non-ferrous metals, as well as truck mounted cranes of the PINGUELY division of CREUSOT-LOIRE.

DEPARTMENT OF ATOMIC ENERGY, transfer of know-how for the construction of a Fast Breeder Test Reactor at KALPAKKAM, near MADRAS.

Following its policy of collaboration with expanding markets, CREUSOT-LOIRE intends to set new collaborations with Indian manufacturers to meet the needs for improving production capacity and expertise in the mechanical engineering field. Such collaboration may apply not only to new developments in INDIA, notably in the oil, gas and chemical industries but also for projects outside INDIA.

MAN CAN MOVE MOUNTAINS

During the last 10 years the MMTC of India has exported 117 million tonnes of Iron Ore from India in addition to other minerals like Manganese Ore, Chrome Ore, Barytes, Coal, etc. A quantity of 13.66 million tonnes of Iron Ore was exported during 1978-79. Iron Ore reserves in India are known to be over 15 billion tonnes, distributed over Bihar, Orissa, Karnataka, Madhya Pradesh and Goa-Redi. Exploration continues. We import nearly forty items of metals such as copper, Zinc, Lead, Tin, Nickel, Platinum, Palladium, Cobalt and Antimony required for industrial use, in addition to large quantities of fertilizers and raw material for producing fertilizers. The corporation is now also exporting products made from imported material by a host of Industries and Factories in India: Items of Stainless Steel, Copper, Brass and other alloys. MMTC is one of the premier International Trading Companies of India. Its turnover has gone up from US \$ 143 millions in 1964-65 to US \$ 1454 millions in 1978-79.

THE MINERALS & METALS TRADING CORPORATION OF INDIA LIMITED
Express Building,
Bahadurshah Zaffar Marg,
New Delhi-110002.

WALCHANDNAGAR

Where
action originates



From Sugar Technology...

Walchandnagar Industries Limited is a very dynamic, multi-directional enterprise. But for over half a century, its name has been synonymous with sugar. In the early days, our entire life revolved around sugar. We grew sugar cane. We built a mill to crush it. And we made sugar. In ever increasing quantities.

Then came the industrial boom. And from making sugar, we went a step further and started manufacturing sugar-making machinery. Before long we had the complete capability to set up entire sugar plants.

Our first plant was commissioned in 1961. To date, we've set up 35 plants on a turnkey basis, in India and abroad. Taking total responsibility for project design, manufacture, erection, commissioning and performance. And we have what it takes to undertake any such job, anywhere in the world.

...to boilers:

As a direct offshoot of our involvement in sugar technology, we started making boilers. Initially, they were made specifically for our own sugar plants. But as their popularity grew, we started getting more and more orders to manufacture special purpose boilers to customers' specifications. Naturally, all this meant we had to develop new technologies, special skills, innovative methods of production.

Another area we have developed expertise in is metal spraying for surface treatment.

With this kind of potential, it was but natural that we diversify our activities. So we took on everything from chemical vessels, pressure vessels and heat exchangers, to complete plant and machinery for cement and paper. Our biggest achievements to date have been heavy engineering jobs for nuclear power stations. Few people in the world have the capability for handling these

Take welding for instance. Proper welding procedures for achieving radiographic-quality welds were developed, and welders were trained, for performance qualification. Earlier studies in welding metallurgy provided a sound base for critical welding, particularly for jobs such as Nuclear Reactor Vessels.

Constant research and development have paid off.

From manual welding...

Today we can handle any critical welding job, no matter how big or how complicated it is. We have the facilities and the expertise in welding by shielded Metal Arc, Gas Tungsten Arc, Gas Metal Arc with various metal transfers such as short arc/spray arc, semi-automatic or fully automatic submerged arc as well as submerged arc-orbital welding, Tube to Tube and Tube to Tube sheet welding using the fully automatic gas Tungsten Pulsed (cool) Arc method.

Another highly co-ordinated and extremely critical operation is the shrink fitting of the 70-tonne slab assembly into a stainless steel Hat which itself weighs 22 tonnes.

This calls for highly regulated heating and expansion at temperatures as low as 250°C in a special 15 metre by 5 metre gas-fired furnace. The Dump Tank too calls for exceptional precision in fabrication. It is made of 304 L stainless steel and measures 8000 mm x 5000 mm x 3200 mm and weighs 70 tonnes.

massive, high-precision, manufacturing projects—we've built dump tanks, end shields, end shield rings, fuelling machine carriages—all to very critical ASME III and VIII specifications.

...to sequential trepanning.

The end shields are machined out of huge, 70-tonne slabs of steel. One of the most crucial stages of its manufacture involves high-precision boring of 300 holes of 200 mm diameter. For this, we had to devise a complex sequential trepanning procedure to ensure that distortion limits of 2 mm are maintained over the entire five metre area.

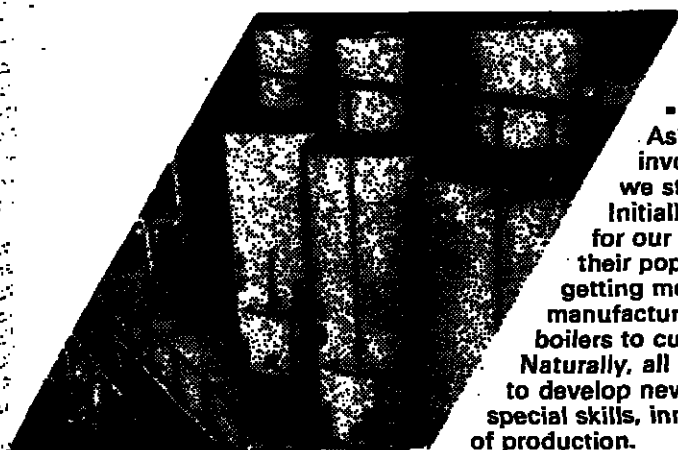
That, of course, is nothing new to Walchandnagar.

In fact, we've made a name for ourselves for taking on seemingly impossible tasks, and coming through with flying colours. If you have a challenging fabrication or machining problem that needs a solution, come to Walchandnagar. You'll get action.

We're geared for action.

Talking about massive jobs, we've made our mark in yet another field. The manufacture of large-size marine gear boxes.

These gear boxes are coupled to steam turbines which generate 15,000 HP at 5750 RPM. We had to devise a special set-up for a Back-to-Back Test to check the performance of our gear boxes at full load, full speed and overspeed conditions—a procedure that had never before been carried out in the country.



Flow of evaporator station



Boiler pressure vessels



Cement kiln



Gear assembly



WALCHANDNAGAR

WALCHANDNAGAR INDUSTRIES LIMITED,
Construction House, Walchand Hirachand Marg, Ballard Estate, Bombay 400 038, India. Grams: Walsakar, Bombay. Phone: 268091. Telex: 011-2780.
Marketing Division: 16, Mahatma Gandhi Road, Pune 411 001, India.
Works: Walchandnagar, Dist. Pune, Maharashtra, India.



Engineering Industry

By Edward Townsend

NEW DELHI (IHT) — The most outstanding feature of Indian economic policy of recent years has been the concerted drive to strengthen and revitalize the nation's industrial base — and in the vanguard has been the relatively new but impressive engineering sector.

In the space of about two decades, the Indian engineering industries have matured from being suppliers of basic products to the domestic market and protected by a thick wall of import restrictions, to outward-looking and dynamic world traders seeking and often winning big foreign contracts.

This coming-of-age is reflected in the attitude of the engineering giants of the West who are now being forced to take serious notice of Indian expertise both in direct competition and as partners in lucrative third country projects.

While many deficiencies remain, particularly structural weaknesses, too much diversity and, in some instances out of date technology and production processes, there is considerable pride in the sector's achievements.

'Rapid Strides'

The Indian Export Promotion Council in Calcutta stated: "Indian engineering industry has made rapid strides in recent years, and its diversity and sophistication have won international acclaim. Our engineering enterprises are in a position to offer goods as good as from developed countries, with relative low-cost economy, but with no compromise in quality. The deviations in technical standards, quality and finish associated with the initial stages of our industrial development are now behind us."

While India still has a minuscule share of world trade in engineering projects, the sector emerged in 1976-77 as the country's prime earner of foreign exchange. In the late 1960s, during the second five-year plan, engineering exports accounted for only 0.8 percent of exports, but by 1977 had soared to 12 percent.

In 1972-73, India exported engineering goods worth 1.41 billion rupees, and by 1976-77 exports had risen dramatically to 5.52 billion rupees. The annual report target for the 1980s is 10 billion rupees and

the industry is hoping this to be boosted to 25 billion rupees by the turn of the century.

Much of India's engineering industry was born with assistance from foreign money or technical expertise. In the 1950s, in a bid to reduce balance of payments deficits, the national policy was to restrain imports severely with the result that engineering companies had little incentive to update designs and invest in research and development.

Wild Swings

This protectionism, however, did prove to have positive aspects. It helped industrialists to embark on new ventures without the fear of foreign competition, and enabled domestic industries to grow to an extent that might not have been possible in a totally free market.

But by 1977, when the growth in India's industrial production slumped by 50 percent compared with the previous year, it became clear that a more liberal policy was needed, particularly toward exports of high value goods. Wild swings in international currency exchange rates and growing protectionism in many developed countries, added to India's export problems.

Last April, a new import policy was announced allowing freer import of machinery, components and spares in the hope of increasing foreign competitiveness. India's new "shopping list" included automotive products, construction equipment, offshore equipment and general engineering equipment, raw materials and components. Exporters are being offered better facilities for the establishment of joint ventures, and there has been a relaxation in rules governing the purchase of stakes in foreign market organizations.

The result has been that India's engineering enterprises, most of them in the hands of private enterprise, have broadened their horizons in the last few years and are starting to make a significant impression in markets in the Middle East, Africa and South East Asia and, in contrast with many other so-called developing nations, they are offering comparatively sophisticated goods. These range from machine tools, electrical power generation equipment and heavy transport equipment to textile machinery and trucks and buses.

There is also a growing demand for India's engineering consultancy

services, and package deals are now offered covering civil engineering infrastructure, power generation, transmission and distribution, irrigation and flood control, mining and geology and the iron and steel industry.

The diversity of Indian goods sold abroad is indicated by the range of engineering products bought by East European countries which in 1976-77 were worth 447 million rupees. They range from earthmoving equipment, automobile parts, wire products and fabricated steel structures to sanitary fittings, batteries, nuts and bolts and padlocks.

Postponements

There remain, however, some deep-seated problems to solve within the Indian economy before its vital engineering sector finally emerges as a leading world force. Political uncertainty and government constraints on production and finance have done little to inspire confidence among the private sector companies and investment decisions are being postponed.

Shortages of raw materials, poor availability of steel, power shortages and labour unrest have combined to cast doubt on the ability of the engineering companies to achieve their hoped-for growth rates.

On the power front, the government has provided additional funds to the state electricity boards to enable new capacity to be installed more quickly, while companies are now allowed to import their own generating sets. During the first three months of last year, power generation in India rose by 14 percent compared with the same period a year earlier.

The other cause of much uncertainty and lack of confidence — labour troubles — will prove more difficult to correct. Strikes and lock-outs have had a major debilitating effect on industry, with 8 million man days lost in the first six months of last year. Government plans to reduce them have been largely unsuccessful. Union rivalry continues to be one of the chief sources of unrest.

Clearly these problems need to be tackled swiftly if India's engineering sector is to continue its export drive in an increasingly competitive, cost-conscious and protectionist world.



The engine assembly line at the Tata Engineering and Locomotive Co. plant in Bombay.

Major Producer, Exporter of Machine Tools

NEW DELHI (IHT) — India has now become recognized as one of the major producers and, more importantly, exporters of machine tools — the equipment that forms the basis of all industrial production. Its aspirations in foreign markets are certain to cause continuing headaches for the world's more established traders.

A strong contingent of Indian manufacturers took part in a recent international machine tool exhibition in Milan. Their products prompted a senior British machine tool executive to comment that the Indians were now "a significant force to be reckoned with."

There are today more than 800 registered machine tool factories in India. They employ more than 45,000 workers and produce at an annual rate of about 1,160 million rupees, compared with 300 million rupees in 1970. Machine tool exports were 181 million rupees in 1976, and accounted for 10 percent of capital goods exports, surpassed in that sector only by motor vehicles and wires and cables.

In the early 1950s, annual production was about 10 million rupees, but by 1976, it had risen to almost 1,200 million rupees. Today India ranks 19th among the 32 world machine tool producing countries and 22d in the exports

league table. Its dependence upon imported machine tools has lessened in line with increasing domestic output, and fell from 68 percent of consumption in 1961 to about 21 percent in 1978.

This can be seen, for example, in United States exports of cutting and forming machine tools to India in the decade up to 1977. In the mid-1960s, these exports were worth \$15.2 million and represented the third largest export market for U.S. machines. But Indian purchases from the United States soon fell back sharply and, between 1970 and 1977, ranged from only \$1.9 million to \$5 million a year.

Meanwhile, India's exports were leaping ahead. Sales to OECD countries rose from \$18.2 million in 1970 to \$48.1 million in 1977.

Behind the statistics is a story of phenomenal growth that has occurred in the short postindependence era. It has provided the impetus to the rapid industrialization of India.

Initially, India was forced to import almost its entire machine tool stock. As the home industry became established, the chief direction of development was import substitution and the conservation of foreign exchange.

Within a few years, however, a number of machine tool units were

licensed to produce a variety of general purpose and standard machines. Self-sufficiency in these machines allowed the industry to enlarge its range of products, and in recent years there has been much diversification into new designs.

India is now less reliant on technical collaboration with manufacturers in Britain, West Germany, France, Switzerland and the United States, whose technological resources played a major role in the establishment of the industry. Many Indian manufacturers set up their own design and research facilities manned by skilled Indian engineers trained abroad.

This effort was backed by the government-sponsored Central Machine Tool Institute at Bangalore, which has facilities for designing, fabricating and testing prototypes.

Among the Institute's advanced products have been centerless grinders, horizontal boring machines, numerical control (NC) systems for lathes, turret drill heads and special purpose machines for mass production processes.

India now exports sophisticated machinery to many of the industrially advanced nations of the world, including Britain, the United States, Australia, West Germany, the Soviet Union and East Germany. Its relatively low cost economy has al-

lowed prices to be held at competitive levels, a vital factor in a world industry where overcapacity, particularly in NC and standard machines, has forced restructuring and some contraction in other countries.

India is anxious to expand its sales in Southeast Asia and the Middle East, and is showing interest in more joint ventures with foreign concerns on major projects in Third World countries. At least one major British company is exploring this possibility, spurred on by India's lower labor costs and middle management expertise.

The structure of the Indian industry has changed considerably since its early days and now has a widely diversified base. Its most prominent member is Hindustan Machine Tools, a government-owned company formed in 1949 in collaboration with Buehrle of Switzerland.

HMT is by far the largest machine tool enterprise in Asia. It employs more than 10,000 workers at its five factories and claims to produce the world's widest range of machine tools.

HMT's activities now span other areas so that it is able to put together big package deals for foreign customers.

Last year, HMT (International) won a \$12.5-million contract

against stiff international competition for the setting up of a plant to manufacture gas meters, regulators and water meters in Algeria. The project — representing the large slice of business ever placed by Algeria with India — is on a turnkey basis and involves the supply of HMT of machines and equipment erection and commissioning of a plant and training of Algerian personnel.

Like other areas of Indian engineering, the private sector in machine tools appears to coexist harmoniously with the public-owned giants. Mysore Kirloskar, a private company regarded as a pioneer in the industry, employs more than 4,000 workers at three factories. In its 38 years of existence, it has become the country's leading machine tool exporter.

Much of this success is undoubtedly based on technical collaboration agreements the company has with established leaders like Albion Herbert, Leeds Tool and Machine Tool.

Whether the Indian machine tool industry can maintain this momentum remains to be seen. Constraints at home imposed by power and steel shortages could well affect its put, and there is a strong need for manufacturers to keep abreast of technological advances. —E

A heritage fulfilled

5000 years ago, India had a self-sufficient civilisation with well-planned townships, roads and transport. Today we are a vast sub-continent of contrasts where highways co-exist with country tracks. Mahindras lead to all roads, and even where there's no road.

It began in 1947 with the import of the world-famous 'Jeep'. In collaboration with Willys Overland and their successors, a phased manufacturing programme got under way in 1954. In 1968, the first 100% Indian-made vehicle rolled out of our Kandivli plant.

At the same time, mechanised farming was changing the parched face of the land. We were the first to be self-reliant in tractor manufacture in collaboration with International Harvester of the USA.

Came '73 and the Oil Crisis. We took up the challenge, designed and offered a diesel engine that cut fuel costs by 70%. So our users had a wide range of petrol and diesel vehicles. Today, our tractors and vehicles are making successful tracks in countries of all six continents.

Changing, adapting, innovating. Constantly dynamic. That's Mahindras today. With self-reliance as a way of life. Fully geared to the future, and the growing needs of the international market.

MAHINDRA AND MAHINDRA LIMITED
Marketing Offices
Worli Road No. 13, Bombay 400 018, India.



Miniature draw cart with a female figure. From Mohenjo-daro, third millennium B.C.



Consultancy Services Are Growing With the Whole Economy

By H.T. Parekh

OMBAY (IHT) — A noteworthy sign of India's economic progress in recent years has been that technical, financial and managerial consultancy services have expanded commensurately. The broadening of the industrial base, the rapid growth of entrepreneurship, the requirements of financial institutions and banks in regard to credit appraisal, implementation of projects, follow-up, the emergence of the government as the largest entrepreneur — these and other factors have helped to stimulate the growth of consultancy firms in India. The functions of these firms range over almost the entire field of industrial development. Their services cover financial services, preparation of feasibility studies, evaluation of market potential and evolving marketing strategies, design process engineering, technical know-how execution of large construction contracts on a turn-key basis.

The demand for consultancy has grown, the supply of consultants has increased. According to an authoritative source, nearly 170 consultancy firms are in operation in India today. An analysis of this list shows that almost 50 percent of these firms are engaged in financial consultancy and 50 percent in technical consultancy. They include individuals and firms, as well as research institutes which provide technical know-how.

Change in Style

The environment and style of industry, more technical management of industry, and the changes it has been faced with, have undergone a change in the last three decades. This has helped the growth of consultancy firms in India. There has been a shift in recent years from editorial to professional management, partly due to socio-political pressures and partly as a result of the breakup of joint family business. Growing complexity as well as diversification of large houses have necessitated corporate planning.

The transition of medium-scale industrial units to large units have required a change in look and approach in entrepreneurs who are willing to accept advice from those with her educational or technical qualifications. Some of these factors have provided an opportunity for consultants.

India has been manufacturing textiles and machinery, cement and cement-making machinery, paper and paper-making machinery, sugar and sugar-making machinery for more than 50 years. "Made in India" is no longer a phrase that raises eyebrows or occasions disbelief in foreign countries. India has secured a place on the world's industrial map as one of the first 10 nations. It is regarded as the third largest country with a pool of professionals and technocrats. Traditional industries based on advanced technology have also been established in the fields of steel, engineering, metallurgy, mining, chemicals, petrochemicals and fertilizers. Industries for the construction of automobiles, ships, and aircraft have also been set up recently, although their volume of production is low.

Instrumentation, computerization, electronics, oil exploration, refining and atomic and space research are new activities helping to expand the field of consultancy. A large part of the machinery and equipment required for the production of high technology products is now made in India, although qualitatively they have a long way to go.

Indian universities have been turning out large numbers of trained scientists and technicians who also acquired considerable knowledge by in-plant training and experience on the job. From their ranks, technologists qualified to act as consultants are being produced. Many professionals have also acquired valuable foreign training and experience.

Executives with long years of experience on the job, even after retirement, have found a market for their expertise. From this pool have grown consultancy firms able to provide the required services in a variety of fields.

Qualified Members

Several firms have built up large organizations with more than 50 professionals, and some firms have more than 500 qualified members. The growth of consultancy has been rapid if somewhat uneven. Qualitatively, there is much room for improvement.

At the same time, several of these firms have found recognition with international agencies such as the World Bank, UNIDO and ADB, which is based on their achievement and capabilities.

It is often debated whether consultants should or should not be allowed to act as contractors and suppliers of machinery. In India, as in the United States, consultancy includes those firms who take on contract jobs. A special committee appointed to examine this question came to the conclusion that India needs both types of consultancies.

The competitiveness of Indian consultancy firms, especially contracting firms, which has been recognized in the international sphere, has been due in part to their ability to provide skilled and semiskilled labor. This has led to an interesting change in India's manpower situation.

'Brain, Muscle Drain'

India has had to face a "brain drain" recently because men who go abroad to study are offered lucrative employment opportunities in the United States and Britain, and some choose not to return to India. However, in the last few years, another form of manpower drain has been taking place — a "muscle drain."

The Arab countries of the Middle East have embarked on large-scale industrialization and development programs following an enormous inflow of oil revenue. Due to nonavailability of skilled and adequate local manpower, these countries must depend on imported labor and skills from the neighboring countries of Pakistan, Iran and India.

Indented workmen — skilled or otherwise — are often employed through consulting and contracting firms who undertake and carry out projects on a turn-key basis. Large scale construction of roads, towns, air fields, and industrial enterprises all require consultancy and technical skills at all levels — from the smallest to the highest. Unlike those in the "brain drain," these people with specialized skills return to India when their jobs are finished, bringing capital back into India when they come.

Indian Companies

Many large engineering and contracting firms, private as well as government-owned, have found opportunities and challenges outside the country. These firms operate either singly or as consortia of Indian firms, in partnership with or as subcontractors to foreign consultancy firms who have secured turn-key contracts.

Consultancy firms from the United States, Britain, Germany, Italy and Japan have found it suitable and profitable to work with Indian companies of standing, experience and organization because of their ability to mobilize skills and manpower on favorable terms and because of their technical competence.

On the other hand, several foreign consultancy firms have also established their offices in India as branches or as Indian subsidiaries and have got large jobs in India, both on private and government accounts. These foreign firms are, however, largely manned by Indian personnel.

The government has now become the largest entrepreneur in India. The public sector today holds an almost equal position with the private sector, especially when it comes to steel, fertilizers, petrochemicals, electronics, engineering, shipbuilding, and refining.

Contract Jobs

Interestingly, this has also given a fillip to the development of consultancy services in the private sector as well. State enterprises have sought the services of various types of Indian and foreign consultancy firms. State entrepreneurship draws even more upon the services of consultants for feasibility studies, project evaluation during implementation or after completion of the project. Often, the government has appointed foreign and Indian consultants side by side.

Experience has led the government to enter the field of consultancy by setting up consultancy organizations in the public sector which are wholly owned by the government and even in partnership with foreign consultancy firms. These firms contract for private jobs in India and abroad. Several large government-owned firms have large jobs in other countries.

Another factor which has encouraged state level consultancy organizations is the increasing emphasis given by state governments to encourage balanced regional growth. As a result of this, industrial and technical consultancy organizations have been set up for financial institutions in 13 of the 22 states in India. These organizations have helped new entrepreneurs to identify industrial projects.

Indian consultancy firms have not only received a fillip with the increase in foreign contracts but this is also helping them to reach a higher level of expertise, where they need to compete with and/or work with foreign consultancy firms with long experience and a higher level of expertise, efficiency, discipline and competence. The field of consultancy is thus growing, becoming more equipped to handle newer types of projects, instead of being confined to narrow fields of specialization.

Consultancy in the financial field is practiced through a number of investment banking and merchant banking departments of banks, Indian and foreign, development banks and brokers. They are active in the underwriting field, and arrange loans for their clients, locally and also in the Eurodollar market. The role of consultancy expands with development. It has functions to perform for small enterprises as well as for large ones, new ones as well as old ones. As newer forms of industry are set up and operated, higher skills and technology need to be provided.

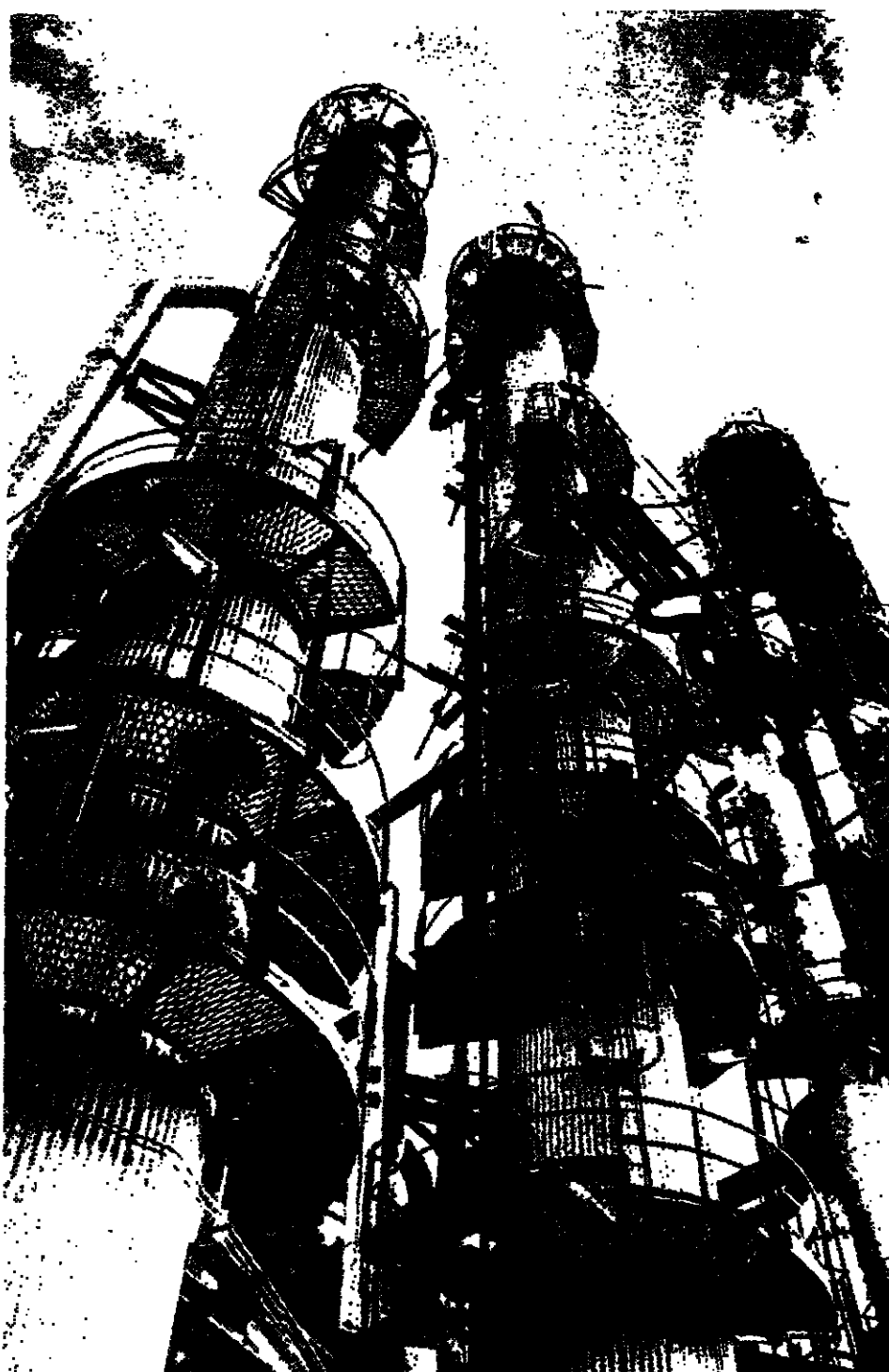
Consultancy, therefore, plays a key role in accelerating development. This applies equally to the technical field as to the financial field. Defense production, computerization, instrumentation, atomic and space research, new sources of energy such as solar energy all require the services of newer types of consultancy. These are beginning to be available in India.

Policy Risks

So far, development in India has depended on imported technology. With the development of indigenous technology, consultancy in India should grow in the future, as has happened in Japan. Both private and government consultancy firms are working for profit. In addition, there are many other agencies in this field who operate as service agencies, not set up primarily for profit.

Science and technology know no frontiers and, therefore, neither does consultancy activity. Competition as well as interdependence are inherent in development between countries. So although national and international consultancy at times compete with each other, they also reinforce each other. Government policies in developing countries may be restrictive in favor of local firms, but liberal policy of coexistence is both necessary and desirable in the interest of the developing countries themselves.

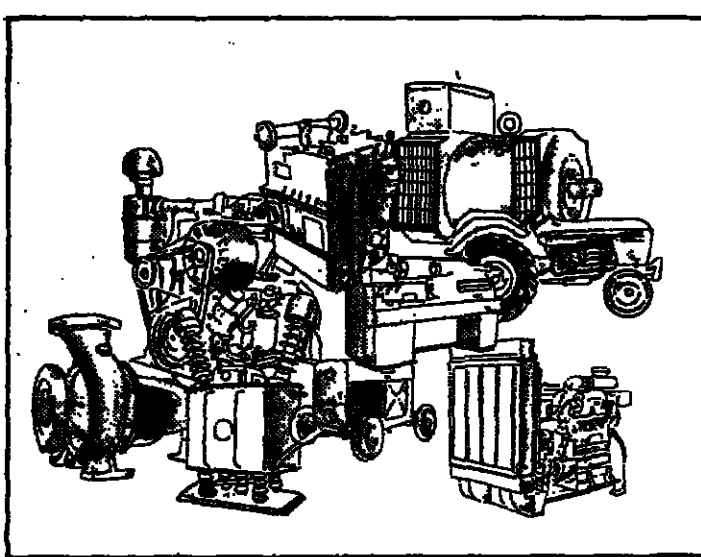
In recent years, conflicts with foreign firms have surfaced in India and created misunderstandings with government. Political factors such as suspicion of multinational agencies have also played some part, receiving undue publicity. Nonetheless, over the years, foreign consultancy has continued to operate in India. Consultancy has also found an export field. In India, the process of internationalization of consultancy has gone on, notwithstanding problems and conflicts.



Towers built by Larsen & Toubro for fertilizer plant.

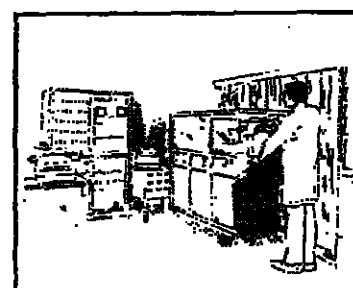
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Industry Leaders Provide Picture of the Nation's Skills, Goals

The following are brief, biographical sketches of 22 outstanding Indian leaders in industry science and administration. Together, they add up to a picture of the technological and other skills, which India commands today.

JEHANGIR R.D. TATA — The name of Jehangir R.D. Tata is inseparable from Indian industry and enterprise — and equally inseparable, in association of ideas, from an Indian business world characterized by planned expansion. For four decades under J.R.D., Tata Enterprises have developed into a corporate giant by which almost no sector of industrial activity has been left untouched.

Guided and inspired always by the philosophy and ideals of Jamsetji Tata, founder of the company, J.R.D. carefully nurtured the various Tata Enterprises into the 20th century. In the 40 years of his stewardship, the group has spread into many areas of industrial activity and is today the largest single industrial aggregation in the private sector. This was achieved by a process of patient growth that owed more to planning and long term enterprise than to any spectacular industrial coup or initiative.

Though Tata is involved in almost the entire range of heavy and consumer industries with an annual output of \$2 billion, J.R.D. is widely known as a pioneer in Indian aviation. Tata Airlines, founded in 1932, eventually became Air India, an enterprise essentially linked to India's image abroad.

A fact often overlooked is that 85 percent of the profits are absorbed by the philanthropic organizations set up by Jamsetji Tata, Sir Dorab and Sir Ratan Tata. In 1953, Mr. Tata was awarded the title of "International Management Man."

LALCHAND HIRACHAND — Head of the Walchand Group of Industries, Mr. Hirachand is a successful industrialist with a difference. Impressive though his contribution to industrialization has been, he has chosen to remain in the background and concentrate on consolidating and expanding his complex of industries.

The group was founded by his brother, but Mr. Hirachand brought to the management exceptional qualities of vision, determination and initiative.

He has demonstrated, through his directorship of the Ravalgaon Sugar Farm, how the principles of industrial management can be successfully applied to agriculture. In 1940, Hindustan Aircrafts, under his direction, produced bombers and fighter planes well ahead of schedule. It was later taken over by the government as Hindustan Aeronautics Limited.

He then turned his attention and energies to automobiles, establishing Premier Automobiles, and in 1975, Mr. Hirachand's dream of manufacturing an entirely indigenous car was realized with the Padmini.

He was a member of the Rajya Sabha from 1952 to 1958 and before this, of the Bombay Legislature. His qualities are reflected as much in the model town of Walchandnagar, where strikes are unknown, as in the businesses he has nurtured.

S.L. KIRLOSKAR — Head of the Kirloskar Group, Shantam Kirloskar is a brisk embodiment of intelligent vitality. An aviator of distinction, he flies from Poona to Haridwar, where his units are situated, to confer with his managers.

At the basis of his creed is a belief in what the individual can achieve given the appropriate climate in which initiative can have its way. Thus, he is applauded as one of the few industrialists who believes in and implements decentralization of authority and decision making.

His outspoken views on the responsibilities of entrepreneurship have won him the respect, if not always the agreement, of the government. His nomination to the Board of Governors of the Reserve Bank of India is a recognition of his contribution to the national interest and of the quality of his incisive judgements.

H.S. SINGHANIA — The president of the Federation of Indian Chambers of Commerce, Mr. Singhania is a leading industrialist whose name is a byword in the world of Indian business. As F.I.C.C.I. president, he has already established himself as a leader of remarkable dynamism, and has prominent in influencing national policies and those of the J.K. Organization with its varied activities and of which he is vice president.

These include cotton, jute, woolen textiles, metals and engineering, chemicals, paper, tires, cement, electronics, cosmetics, banking and shipping — indicative of an enterprise that has penetrated nearly every important sector of industry.

Mr. Singhania is a man whose singlemindedness has enabled him to concentrate on the development of the J.K. Organization, giving at the same time due attention to the demands of national growth.

He has pursued his goal of creating an appropriate climate for growth through his association with a number of organizations, such as the International Chamber of Commerce in Paris, the All India Organization of Employers and the Indian Council of Arbitration.

As president of the federation, he has been the leader of delegations to the United States, Canada, Japan and East Europe and West Asia.

S.P. GODREJ — The name Godrej is linked inseparably in the public mind with locks and soap, although the Godrej Industries have successfully entered the steel and machine tools sector.

Presiding over the family team is the chairman, S.P. Godrej, assisted by Dr. B.P. Godrej, one of the country's leading scientists, and his son, M.I.T.-educated A.B. Godrej. Together, they have helped establish Godrej Industries, and, particularly, Godrej Soaps as a national institution.

But it is Mr. Godrej's personality and range of interests that have kept the house of Godrej before the public eye as something more than a group of industries. Tourism, family planning, education, technology and scientific management have all attracted his attention.

He has at various times been head of the Indian Merchants' Chamber, the Indian National Committee of the Federation of Indian Chambers of Commerce and Industry. His activities in the governing body of the National Council of Applied Research and the Tourist Development Council have notably stimulated these bodies.

ARVIND MAFATLAL — Fair play, fair pricing and fair returns to the worker sum up the philosophy that has animated the Mafatlal Group of industries.

The chairman, Arvind Mafatlal's answer to the socialist is that no wealth can be shared unless it is first generated, and that commonsense priorities place production at the top.

To this task of production, he has applied the resources and abilities of the House of Mafatlals. As chairman, he is assisted by his brothers, Yogendra and Rasesh, and he himself has emerged under the guidance of his grandfather, and founder of the house, Seth Mafatlal Gajalbhai.

The group is diversified but its name has a particular luster in the world of textiles and is also a hallmark of quality.

MATHURDAS GOCULDAS — A textile magnate, her interests range from women's education to art and religion. She has been able to reconcile business industry with the concept of Gandhian service.

She is chairman of L.Loyds India Committee, the Indian Coastal Conference, and president of the Indian National Ship Owners Association. Hers has been and is the sustained inspiration behind Indian shipping, displaying a courage and determination that have won her respect not only as she insists — as a woman, but as one dedicated to the revival of India's maritime traditions industry with the concept of Gandhian service. Mrs. Morarjee is exceptional on many grounds. Chairman of the Scindia Steam Navigation Company and Eastern Bankers Limited, she has controlled the affairs of Scindia for 40 years with an acumen and toughness that have placed her in the fore of the Indian shipping industry. Scindia is now one of the largest shipping companies in Asia.

She has possibly inherited the business instincts of her father, the textile magnate, Mathurdas Goculdas, but her interests are wide ranging from women's education to art and religion.

BHARAT RAM — Dr. Ram, an articulate industrial philanthropist, controls a textile business that has diversified under his vigorous leadership into computers, acquiring for his organization the status of one of the largest computer manufacturers in the country.

An entrepreneur with an unusual grasp of the benefits of modern technology, he has taken up the cause of bringing industry to the rural areas. His capacity for a lucid exposition of the business community's point of view is exceptional, and this has gained him a central position in the business world as well as the unofficial role of adviser to the government on economic affairs.

P.C.D. NAMBIAR — Managerial ability of a high order coupled with qualities of bold imagination has enabled Mr. Nambiar to raise the State Bank to the status of an international bank, notably through dollar and Eurodollar loans. Highly regarded in international banking circles, he has forged a career of sustained progress since joining the Imperial Bank of India as probationary assistant in 1944 and transferring to the successor State Bank of India in 1955.

His skills in financial management have been utilized in the service of agriculture, industry and bankers' training, and the impact of his contributions to national development have been applied to organizations such as the Indian Bankers Association, where he is deputy chairman, the Indian Institute of Bankers of which he is the vice president and the Agricultural Refinance and Development Corpora-

tion, of which he is the director.

He is also associated with other key bodies in the national economy, notably the Industrial Finance Corporation and the Housing Development Finance Corporation.

G. KASTURI — Editor and the key force of The Hindu, one of India's 100-year-old national dailies and recognized as being among the 10 best newspapers in the world, Mr. Kasturi is a dominant figure in contemporary Indian journalism.

His primary objective is to build up the paper as a voice of respect in the finest traditions of responsible journalism and to achieve this within the limitations of a developing country. The Hindu is the only paper in the country to have achieved a level of technological sophistication, while at the same time preserving all that is associated with The Hindu tradition acquired over a century of turbulent existence.

Mr. Kasturi, who hails from a well-known family of freedom fighters, is a staunch advocate of independent journalism, but with due regard to its responsibilities. His influence has spread through the chairmanship of the Press Institute of India and as director of the Press Trust of India.

T. THOMAS — Among the emerging class of India's technocrat managers is T. Thomas, aged 52, a director of the board of Unilever and Unilever NV.

With headquarters in London, he guides the destinies of Hindustan Lever, directs the Unilever exports, and as such is in charge of countries like Thailand, Argentina and Trinidad. His career, including two decades with Hindustan Lever, is an example of a combination of professional managerial experience and specialized technological skill in the field of chemical engineering.

One of his latest outstanding achievements has been the commissioning in record time of the Haldia project for the manufacture of heavy chemicals. As chairman of Hindustan Lever, he has brought to that post a quality of technocratic expertise enhanced by his knowledge of India's needs and how technology can be adapted to satisfy these needs.

He is chairman of the governing body of the Anglo-Scottish Education Society and governor of the Administrative Staff College in Hyderabad.

KESHUB MAHINDRA — Mr. Mahindra, chairman of the Mahindra complex of industries, belongs to that group of Indian businessmen whose interests reach far beyond the limits of economics and industry.

He was educated in India and the United States. His ability to analyze developments at home and abroad has enabled him to control and guide the Mahindra Industries with a wealth of managerial skills.

The rapid expansion of Mahindra and Mahindra and of its subsidiaries and associate can be attributed to this. A deal with Peugeot of Paris is in the offing to manufacture diesel engines for the jeeps with which Mahindras have long been associated. He is connected with several organizations related to administration, exports, sociology, planning and economics. Much of his non-business time is devoted to philanthropy, the affairs of the Mahindra Education Trust and the 1001 — a Nature Trust, of which he is a member.

K.N. MODI — Mr. Modi is distinguished by the particular interest he has bestowed on employer-employee relations. After his brother, the founder of Modi Enterprises, died, Mr. Modi took over and infused the organization with a spirit that enabled every worker to feel that he "belonged."

That was a singular achievement in a system of joint management that has been applied to an increasing number of companies.

Mr. Modi has applied a policy whereby his conciliatory machinery has not excluded sympathetic attention to the problems of workers as individuals.

Extensive housing facilities, apart from approximately 8,000 quarters at Modinagar, a nurses training centre, and a cooperative society for essential commodities, are some of the highlights of his welfare policy. An extension of this is the direct involvement of Modi Enterprises in rural development projects.

He has also made his mark in encouraging research, particularly in textiles, sports and education.

RAHUL BAJAJ — Bajaj and scooters have become almost synonymous in India and, for this, Rahul Bajaj, chairman and chief executive of Bajaj Auto since 1968, is primarily responsible. His stewardship saw the production of scooters and three-wheelers increase by more than 400 percent. Exports now cover four continents, elevating Bajaj Auto to the world's second largest manufacturers of scooters. This achievement won the Export Award of 1977, conferred by the Federation of Indian Chambers of Commerce and Industry.

An honour graduate in economics and law, Mr. Bajaj obtained an MBA at Harvard, after which he came to the

automotive industry. He was chairman of the Development Council for Automobiles and Allied Industries from 1975-77 and won the "Man of the Year" award from the National Institution of Quality Assurance.

He is a member of the Development Council for Automobiles and Allied Industries and of the State Advisory Committee of Industries Maharashtra.

A.N. HAKSAR — A.N. Haksar, chairman of ITC controlling the largest chain of hotels in India, brings to his task managerial skills refined in the business world of tobacco and marketing. Formerly of Indian Tobacco Co. Ltd., Mr. Haksar has been chairman of ITC since 1969 and represents a revitalizing force in the Indian hotel business. With Sheraton, ITC is responsible for such new five-star hotels as Manara in New Delhi and Mughal in Agra.

N.M. DESAI — The firm of Larsen and Toubro, an establishment in the 1930s, epitomized the growth of an industrialization. Its chairman, N.M. Desai, has with the firm since its incorporation in 1946. He was pointed director in 1956, vice chairman and joint managing director in 1969 and president and chief executive in 1977 and chairman in June 1978.

His close cooperation with the founders of the company, H. Holck-Larsen and S.K. Toubro, has extended abroad, and he was a major force in the promotion of the firm's giant cement complex, which is expected to double its turnover in another three years.

A. SIVASAILAM — A. Sivasailam, chairman of Amalgams Ltd., and son of Mr. S. Anantharamaiah, a pioneer in the engineering industry, runs one of the largest industrial groups in the country. It consists of more than 20 companies covering engineering, automobiles, chemicals, and publishing. Its international roles include links with Ford and Massey-Ferguson.

After obtaining a degree in commerce at Madras University, Mr. Sivasailam took a training course in management accounting in London. He was named "Outstanding Industrialist 1978" by the National Institution of Quality Assurance.

After service as general manager of Tractors and Equipment Limited, Mr. Sivasailam was elected chairman of the group in 1968, a conglomerate employing 10,000 people and with a pivotal role in Indian engineering.

The group, under his chairmanship, received the Mercury National Award "as a special recognition for its productive development and international cooperation."

NUSLI WADIA — Chairman of Bombay Dyeing, celebrated its centenary this year. Nushi Wadia, 35, one of the youngest manager-industrialists in the country, belongs to the fourth generation of Wadias. His grandfather, Nowrojee N. Wadia, founded the company in 1879.

In 1966, at the age of 22, he began by restructuring the company's production system and establishing a network of distributors and retail stores throughout India, stocking only Bombay Dyeing fabrics. He later diversified production, venturing into new lines of socks, shirtings and suiting in styles in keeping with the times. Despite a three year recession from which some manufacturers never recovered, Bombay Dyeing prospered and increased its profits for year to year.

In his policy, a principal theme has been that more than 50 percent of the world's clothing is manufactured for polyester synthetics and that each year there are 10 million more Indians to clothe.

R. RAMACHANDRA — Chairman and managing director of the state-owned Hindustan Machine Tools, one of the biggest machine tool corporations in the world, B. Ramachandra, an engineer, is also an astute technician.

A fellow of the Institution of Production Engineers (I.P.E.), he has specialized training in Switzerland at the Oerlikon Machine Tool Factory.

In HMT, which he joined in 1954 as assistant manager, he has been responsible for setting up the HMT Special Purpose Machine Tool Factory in Hyderabad. In 1978, he was appointed chairman and managing director and is currently chairman of HMT (International) Ltd., wholly owned subsidiary of HMT.

HOMI SETHNA — In the world of nuclear and atom energy affairs, Dr. Homi Sethna needs no introduction. The third chairman of the Atomic Energy Commission, he has directed it for five years. In 1974, the memorable Tashkent explosion for peaceful purposes was conducted under his supervision. He has been concerned with such problems since 1948 and has brought the full force of his academic and other qualifications to bear on this controversial issue.

He was responsible for processing the thorium rich ore of the Kerala coast, and later organized the plutonium re-atom plant at Trombay, which became operational in 1963. Honoured with titles and degrees, and associated with many committees and corporations involved in technology, electronics and sciences, he has also been the recipient of awards and prizes from institutions abroad. In 1955, he was awarded Padma Vibhushan by the government of India, a confirmation of his central position in the country's nuclear affairs.

H.P. NANDA — H.P. Nanda's name is prominent in engineering products, tractors and railway ancillaries. Joining Escorts in 1944, he soon established a reputation as an



Piston rings by Escorts.

Mr. Haksar is a director, Central Board, Reserve Bank of India, and is connected with various organizations in industry, banking, technology, cultural relations and family planning. He has written extensively on multinationals, organizational development, consumerism, marketing and advertising.

ADITYA BIRLA — The House of Birlas is heavily weighted with talent but the thrust that enlivens it owes much to the younger generation of Birlas, among whom Aditya Birla already has a record of impressive achievement. Trained in chemical engineering at the Massachusetts Institute of Technology, he became, on his return to India, closely associated with a number of companies.

One of his principal achievements has been to revive the Indian Rayon Corporation, which had been threatened by closure. In the promotion of Indian companies abroad, particularly in Southeast Asia, his enterprise has found a field in which he has been particularly successful.

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Glycerin and other Oleochemicals; and, of course, the famous range of Godrej detergents, soaps and toiletries. Godrej also makes Security Equipment, Steel Furniture, Typewriters, Refrigerators, Machine-Tools, Fork-Lift Trucks, and other engineering items. Products that satisfy consumers in over 20 countries on 5 continents.

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Business Ventures Abroad Facing Bureaucratic Restrictions

By V. Balasubramanian

NEW DELHI (HIT)—In the caste system, the Indian government's industrial policy, India's industrial ventures abroad occupy a lowly place. Rigorously regulated by New Delhi, applications from Indian entrepreneurs are allowed only on grudging conditions. Despite a steady and substantial growth of foreign exchange in recent years, cash remittances for sharing in equity capital continue to be frowned upon. Even the changes in guidelines issued in September last year, in response to demands from Indian industrialists for a more liberal policy, have left the scope for cash remittances narrowly hedged in with conditions. Indeed it was perhaps only after some bright memorandum in the government secretariat had disavowed around the middle 50s that Indian industrial ventures in other countries could be able to serve as a vehicle for exporting industrial machinery made in India that the earliest projects could receive approval.

The present position is that the raising of foreign exchange loans abroad by the Indian collaborators may be permitted by New Delhi after consideration of each case on merits . . .

Foreign Loans

The present position is that the raising of foreign exchange loans abroad by the Indian collaborators may be permitted by New Delhi after consideration of each case on merits and so also grant of loans by the Indian participating partners to the joint venture units. Cash remittances will still not be formally allowed for machinery equity contributions, but the "hard and

deserving" cases, as determined by the government, may be considered if they relate to certain fields of collaboration, as for example, consultancy and other service ventures.

Certain inferences are both easy and safe to draw. This policy limits the scope for Indian participation in industrial ventures abroad to the capacity and performance of Indian manufacturers of plant and equipment to compete internationally in respect of quality, delivery schedules and prices.

Again, where host governments insist on substantial equity participation by the foreign collaborator, or the local partner demands freedom to shop around for machinery and equipment in the international market place, the Indian entrepreneur finds himself at a disadvantage because of the terms his own government has set for him for doing business. No wonder the Indian track record for exploiting industrial opportunities abroad could easily have been better.

As of January, this year, the Indian government has given its approval to 345 joint ventures in foreign countries by Indian industrialists. Of these 107 have gone into production (as of that date), while another 89 are in various stages of implementation, taking the number of effective ventures to 196. The casualty list might have been shorter, conceivably, had the government's policy for cash remittances towards equity capital been more flexible or supportive.

The investment in the 196 effective ventures was no more than about 72 crores (a crore is equal to 10 million rupees) at the end of last year and the earnings repatriated by them were a meager amount of 7 crores to which dividends had contributed 2.4 crores and other remittances, including fees for technical know-how and management services, 4.6 crores.

Earnings from exports of plant and equipment effected toward equity capital fetched 24 crores and "additional exports generated" about 48 crores. Even in terms of commodity or service exports generated by linking these exports to Indian joint ventures abroad, policy might have fared better had it been less illiberal with cash remittances for equity participation.

Indian joint ventures abroad are spread over some 35 countries in four continents. The ASEAN region, however, has been the most relevant territory in many ways, with Malaysia claiming the largest number for a single country in any region, 38.

The Indian government's restrictive policy toward cash remittances as the Indian contributions to the equity of joint ventures abroad have been somewhat less obstructive of Indian participation in enterprises in Malaysia as the Malaysian government itself is committed to majority participation in equity by local participants; this could explain, in part, the relatively large number of enterprises with Indian participation being located in Malaysia rather than in other countries.

Of late, however, Thailand and Philippines are appealing increasingly to Indian entrepreneurs



HMT precision machines being used in Australia.

thanks to the host governments' generous appreciation of the good work done by successful Indian collaborations.

Broadly speaking, political stability, the host government's commitment to economic growth and industrialization and its policy for cash remittances toward equity capital, the willingness and ability of the bureaucracy to expedite decisions and simplify procedures, as well as the strength and potential of the domestic market base and the availability of raw materials for agro-based industries have been the major considerations influencing the direction of Indian participation toward various geographical areas. Incidentally, mainland China remains a tantalizing possibility. At least one big Indian business house received feelers through Hong Kong-based British banks, which may have to arrange the financing and it sent out an exploratory team which has reported back.

The first Indian industrial venture abroad took shape on the African continent in 1956. This was a textile mill in Ethiopia and a big success, but it came to grief when Haile Selassie was overthrown and the successor government took over the plant and its operation without payment of compensation.

Evaluations of the aspect of political stability are therefore playing a major role in guiding the location of Indian joint ventures in the region.

Out of the 22 collaborations in production in Africa, Nigeria claims eight and Kenya seven, while their respective shares are seven and six in an African total of 17 projects under implementation.

A prestigious project for the expansion of paper-manufacturing capacity is getting off the ground in Kenya, with World Bank financing and one of the leading Indian business houses providing know-how.

There are 22 effective industrial ventures with Indian participation in the developed countries. The favored field is the hotel and restaurant business, but there are also a few manufacturing

operations. An asbestos cement factory in Britain, and plants for the manufacture of polyethylene products in the United States, bicycle tires and tubes in Canada, diesel engines in West Germany and cocoa butter in the Netherlands are examples.

Much of the future of Indian industrial enterprise abroad may lie with the fast-growing activities of Indian construction and consultancy firms in the West Asian region, particularly the Gulf countries. Many public sector undertakings in India are busy in this field and the Indian government is quite well-disposed toward progress in this area.

The products manufactured by Indian ventures abroad, cover a wide range, including textiles, light and heavy engineering manufactures, machine tools, commercial vehicles and sevens, automobile ancillaries, pulp and paper, vegetable oil, sugar and confectionery. One of the areas where Indian technical expertise and business management have made a mark is the production of synthetic textile yarn in the Philippines and Thailand, where productivity per spindle in the Indian-managed factories has been raised beyond Japanese levels.

Although a few Indian big business names are prominently associated with joint ventures in foreign countries, the more remarkable feature is the extensive participation of medium firms and a newer generation of entrepreneurs typical of India's evolving industrialization.

Push Abroad

Interviewed by the Eastern Economist earlier this year, a youthful business man from the top drawer of Indian industry confessed that it was his impatience and even frustration with the proliferating government controls on industry in his own country that gave him the initial push to look for business opportunities abroad, besides putting up factories in India itself.

His foreign ventures, which are in the ASEAN region, have been remarkably successful as technically efficient as well as money-making enterprises and this has helped to enhance the prestige of Indian business leadership abroad.

To this industrialist what makes the most pleasant difference, as compared with conditions at home, are the out-going attitudes of host governments toward entrepreneurs who have proved themselves, the highly supportive infrastructural facilities and the disciplined performance of workers.

Thanks to this atmosphere and environment, the quest for rising productivity, he feels, becomes a challenge with tremendous possibilities. "In an indirect way" he remarked wryly, "our government's policies did induce me to put up industries outside India" and he added, "but, of course, these industries have helped India rise substantially." This may not exactly be the kind of certificate the Indian government would have invited from its businessmen for its industrial policies or its approach to Indian investments abroad, but, then, it is up to it to earn more positive recommendations.

COIR FROM INDIA

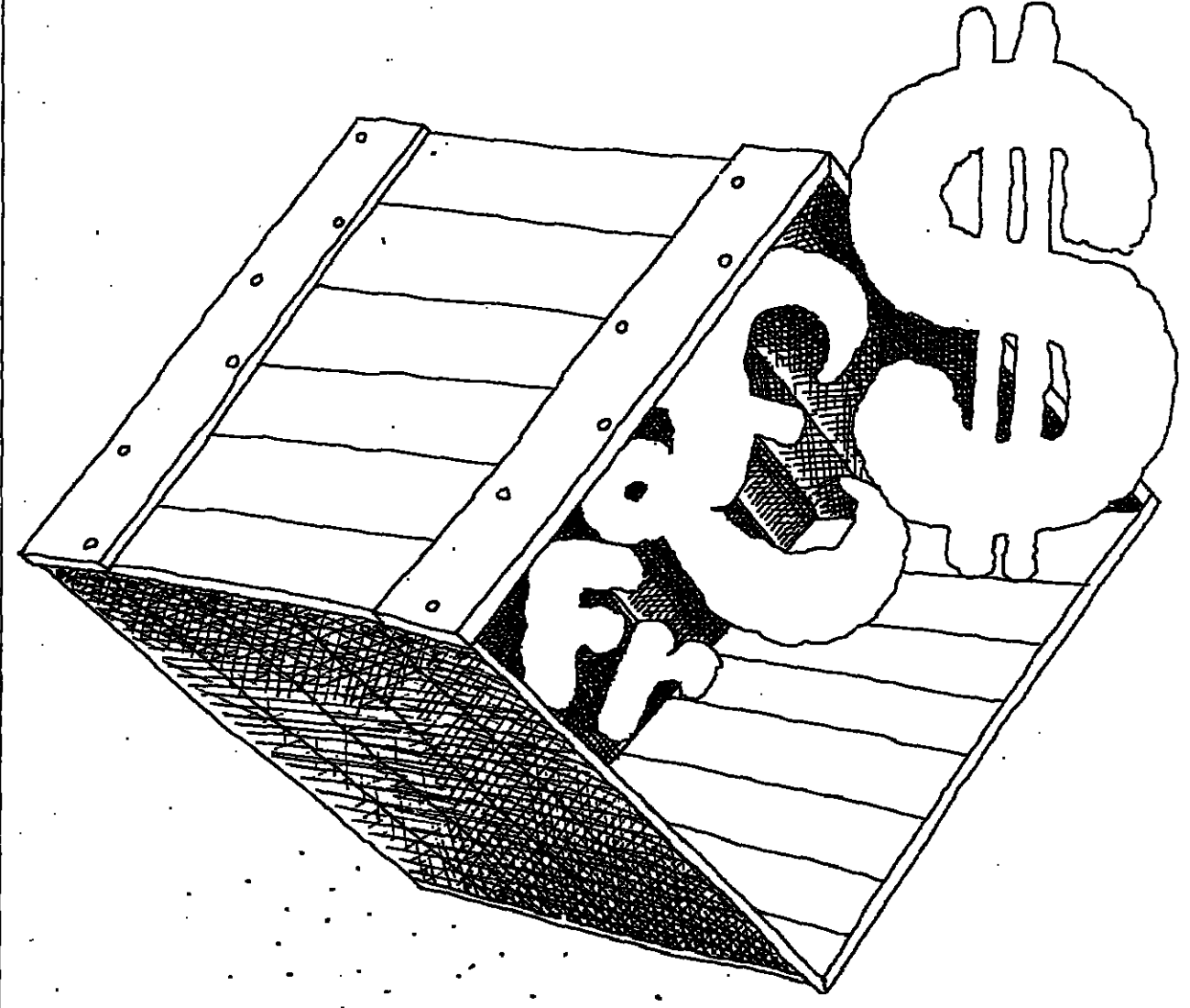


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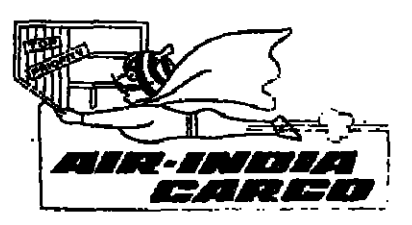
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Tug at the Imagination

By Peter Hopkirk

NEW DELHI (IHT) — However fervently the visitor to India may vow never to return, before long his resolve will crumble and he will be back. There are many countries one gladly leaves, but no other tugs quite so persistently at the imagination.

Writing a few weeks before his death, Paul Scott, the British writer on India, attempted to explain what made him return there again and again "when the reasons for not going seem stronger than those for having come." He admitted defeat, confessing: "It is easier to describe the immediate sources of shock than to convey what, in spite of them, can be so compelling."

Perhaps no other country embraces within its frontiers quite so many attractions, experiences and striking changes of scene (not to say frustrations) as India. What traveler in the Himalayas — to take one part of the country only — can ever forget medieval Sikkim with its fluttering Buddhist prayer flags, lovely Kashmir with its still lakes, or the dawn vigil at Darjeeling to see the sun rise on Everest?

This coming year about 1 million tourists will visit India. Some will simply be sightseers, probably on their first trip. But there will also be mountaineers and trekkers, botanists and bird-watchers, archaeologists and art historians, skin divers and skiers, fishermen and photographers, steam-train enthusiasts and transcendental meditators. Somewhere on this subcontinent lies something for all of them.

For the first-time visitor to India the problem is where — and how — to go. Much obviously depends upon his interests. But anyone planning a maiden trip might consider a package tour and thus avoid the inevitable, energy-sapping frustrations faced by the independent traveler. A well-known Delhi travel agent booked me on a flight which had left Delhi for Calcutta long before my connecting flight was even due to leave Srinagar. It took me hours of hassling in Delhi to argue myself aboard the next (already heavily overbooked) flight.

There is a wide range of package tours available, some of the best of them offered by British operators like Thomas Cook or Cox and Kings who have been taking tourists to India since the days of the raj. There are, broadly speaking, three kinds of all-in package. First there is the general interest tour which concentrates largely on one region — say the Himalayas, the palaces and deserts of Rajasthan, or southern India.

There is the one-center, stay-put package based on Delhi, Bombay or perhaps a houseboat in Kashmir, including both fare and accommodation but which allows one to arrange excursions locally. Finally there is the specialist tour, usually escorted by an expert, which may concentrate on one subject like Moghul architecture or wildlife.

Some packages include side trips to neighboring countries such as Nepal, Bhutan, Ceylon or Burma. Apart from taking over the complex bookings which a such a tour involves, and dealing with all crises, the tour operator should be able to offer better value than the individual can obtain because of the airline and hotel concessions available to groups. Just how much of this is passed on to the customer, however, depends on the tour operator.

If one is going to take a package tour to India, it is strongly advisable to start looking, if not booking, now.

With so many people nowadays able to afford an Indian vacation, and bearing in mind the limited hotel accommodation and pressure on the already over-stretched domestic airline, there is a real danger of leaving it too late.

This applies also to the independent traveler, in particular those heading for the Himalayan playgrounds of Kashmir or Darjeeling at the height of the season. Anyone without an internal airline booking, or missing his flight, could easily find himself stuck where he is for a week, perhaps without a hotel. Independent travelers should thus make (and have confirmed in writing) all their hotel and airline bookings at least two months before departure.

India offers a bewildering variety of attractions, but the following may be singled out for the first-time visitor.

• **Sikkim** — An Asian Ruritania, squeezed between Tibet, Nepal and Bhutan, and until recently an independent Buddhist kingdom. A permit is required to go there, and this must be applied for at least six weeks ahead. Gangtok, its village capital, now has several hotels. With 600 different species of butterfly, moths with 10-inch wingspans, and some 4,000 varieties of plants and shrubs (including the blue poppy and 500 different types of orchid), it is a botanist's and entomologist's paradise. However, large parts of the north and east, where it fronts with Tibet, are closed to visitors.

• **Darjeeling** — A perfect base-camp for the armchair mountaineer. From this hill-station situated 7,000 feet up in the Himalayas one can see some dozen peaks over 20,000 feet. On a clear night traffic headlights on a 14,000 foot pass in Tibet can be seen away to the east.

• **Calcutta** — Despite what everybody says, it should not be missed. Check by jowl with some of the most horrifying poverty anywhere are the fading landmarks of one of the grandest empires the world has ever seen, the British Raj.

• **Gulmarg** — A tiny village station above Srinagar from where one can ride by sure-footed pony to the snowline (or, in winter, ski). It also has a golf course, said to be the world's highest. There is a fine view of the mountain Nanga Parbat, which has claimed some 30 victims.

• **Srinagar** — Most visitors stay on houseboats on Dal Lake, furnished more like English country cottages than boats — an experience not to be missed. Avoid the summer months when the heat and humidity are uncomfortable, and the wonderful mountain views marred by haze.

• **Jaipur** — Rose-red capital of the desert state of Rajasthan, with palaces and a fortress that can be visited on an elephant. The home of the Rajput warriors of old and fabulously rich maharajas, its most spectacular hotel, the Rambagh Palace, was until recently the residence of the late Maharajah of Jaipur. It is still staffed by his former retainers.

• **Agra** — Site of the Taj Mahal, can be reached easily from either Delhi or Jaipur. It needs no description. One should, however, try to see it by moonlight which means an overnight stay.

Finally, far down in the south, in the lovely state of Kerala, lies little-known Kovalam. Potentially one of India's — if not Asia's — finest beach resorts, it is set in a bay of golden sand amid green palm groves and boasts a health center where yoga instruction and traditional Kerala massage with herbal oils are available.



Fishermen work to keep their boat in good repair.

The Times of India

Big Airlines Are Undergoing Major Changes

By Arthur Reed

NEW DELHI (IHT) — Major changes are in the offing for India's two big airlines, Air-India, which carries the country's flag all over the world, and the domestic operator, Indian Airlines.

Last year they were given a joint chairman and vice-chairman, and the trend toward "togetherness" looks as if it will be extended in the future, perhaps even to a complete merger.

Such a move makes sense in the face of rapidly rising aviation costs. The management of the two airlines have gone so far as to advance proposals for acquiring common aircraft for at least some routes.

Aircraft being considered are the Boeing 747, the Airbus, the McDonnell Douglas DC-10, and the Lockheed L1011 TriStar. One problem is that Air-India needs long-range aircraft, whereas Indian Airlines must have planes with short-to-medium range performances. Both airlines have a large number of new aircraft on their inventories with a great deal of life left in them.

There are some medium-haul routes, however, mainly those to the Middle and Far

East, on which the two may operate under a common company flag.

Having joint senior officers will certainly facilitate any moves in this direction. Air Chief Marshal P.C. Lal was appointed chairman of both airlines last February, succeeding the remarkable J.R.D. Tata, the "father" of Air-India, and also of commercial aviation on the subcontinent.

Mr. Tata flew India's first air service, between Karachi and Bombay, on Oct. 15, 1932, in a British De Havilland Puss Moth, and when he retired from Air-India early last year, the airline's annual report recorded: "There is not a single aspect of Air-India's operations which Tata did not know about, or which did not bear the stamp of his personality, whether it was the purchase of a new aircraft, or interior decor of the corporation's offices abroad. The departure of this pioneer marks the end of an era in India's aviation history, and his achievements will continue to be remembered by many generations to come."

Under Mr. Tata's guidance, Air-India was established soon after World War II, operating U.S.-surplus DC-3s, and later Constellations and British Vikings. It became a state corporation in 1953.

Over the intervening decades it has blossomed into one of the world's foremost international carriers with a fleet of 10 Boeing 747s (six in service and a further four on order), nine Boeing 707s, and two Douglas DC-8-63F freighters, one on lease from the U.S. carrier Seaboard World, the other on lease from the Luxembourg-based airline Cargolux.

Acquisition of the two all-freight airplanes indicates a big drive by Air-India to increase its trade in this sector.

Under Sethi, deputy managing director (commercial) for the airline said recently that they are to start operating all-cargo services from Bombay once-weekly to Japan and the United States, in addition to weekly services to Britain by way of Europe, and one weekly service to Europe, with the addition of Brussels and Zurich, Air-India will have a total of 17 online stations on its cargo network.

With its jumbos and 707s, Air-India covers a network stretching from New York in the west to Sydney in the east out of its main base in Bombay. European points served are London (by way of the traditional route through the Middle East and also by way of

Moscow), Paris, Geneva, Amsterdam, Frankfurt and Rome.

It has a large number of stations in the Middle East, goes across Africa from Nairobi and Addis Ababa to Lagos and Accra, and flies to points in the Far East including Bangkok, Kuala Lumpur, Singapore, Hong Kong, Tokyo and Osaka. New routes between Europe and the United States, and from Tokyo across the Pacific to the United States are under consideration.

The airline also has a subsidiary, Air-India Charters, established in 1971 to operate mainly ethnic charters using aircraft and personnel from the parent company as and when required. Through a secondary subsidiary, the Hotel Corp. of India, it has built the 300-room Centaur Hotel at the airport at Bombay. The airline has 12,600 employees.

Indian Airlines was formed as a state corporation in 1953, taking over the domestic and regional services which had previously been operated by eight private airlines. Its operations are organized into four regions controlled from Delhi, Bombay, Calcutta and Madras, and include services to Afghanistan, Nepal, Pakistan, Bangladesh, Sri Lanka, and the Maldives Islands.

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The atom

For Niels Bohr, the Danish physicist, the atom was set in a world of images.

"When it comes to atoms", he said, "language can only be used as in poetry. The poet too, is not nearly so concerned with describing facts as with creating images". This is the only way to picture the invisible world of the atom. But when you probe into the possibilities of the power it releases, the immense benefits to mankind are suddenly visible.

Technological development releases that power. L&T has spent a whole decade in developing the technology necessary to manufacture critical nuclear equipment within the country. Long before that, in 1938, L&T developed Indian manufacturing capability to replace what was necessarily imported.

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Tata Enterprises

TATA SONS LIMITED (TATA INDUSTRIES LIMITED)

The total assets of the various Tata public limited companies, promoted by Tata Sons and Tata Industries, today exceed US \$ 2.8 billion or £ 1.3 billion. The parent firm of Tata Sons Ltd. now operates two divisions.

One is

TATA CONSULTING ENGINEERS (TCE)

a consulting engineering firm with wide ranging expertise in the execution of projects both in India and abroad in the fields of power, chemicals, fertilisers, industrial and environmental engineering and scientific projects. The overseas assignments undertaken by TCE in Europe, Asia and Africa in the past three years are worth over Rs. 60 million (US \$ 7.35 million). TCE work closely with Tata Projects

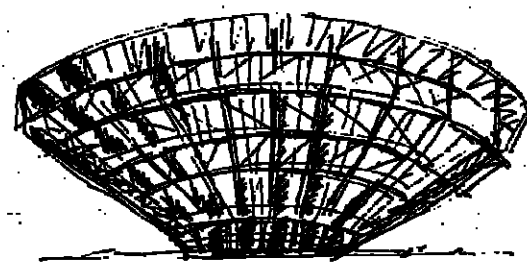
Limited formed with the backing of various Tata Companies specifically to manage turnkey projects.

The other is

TATA CONSULTANCY SERVICES (TCS)

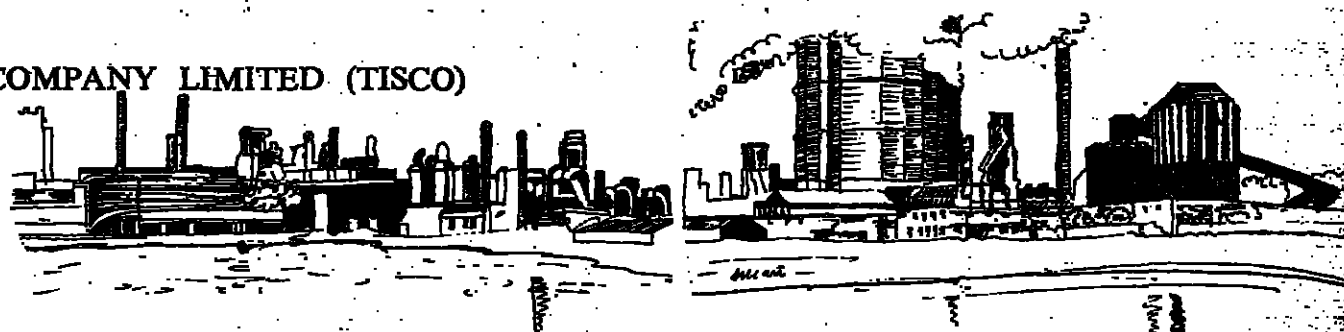
TCS as consultants operate in the areas of management science and computer science, providing software engineering services not only in India but also abroad in the U.S.A., the U.K., Holland, Switzerland, Australia, New Zealand, Liberia, Venezuela and the Middle East. They have a professional staff of 350 consultants with specialised qualifications and experience in dealing with complex management and organisational problems.

About 85% of the profits of the parent firm of Tata Sons Ltd. (Tata Industries Ltd.) have always gone to the people of India, continue to do so, through the medium of the Tata public philanthropic trusts.

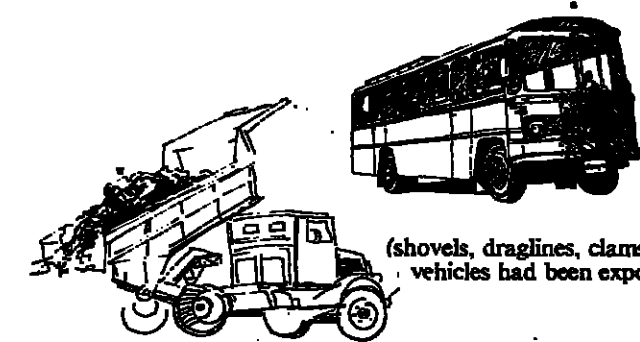


THE TATA IRON AND STEEL COMPANY LIMITED (TISCO)

the largest corporation in India's private sector running what was at one stage the largest integrated steel plant in the then British Empire with total assets, including mines and collieries aggregating to \$ 580 million provides direct employment to 60,000 people. Established on a virgin jungle site near a small village, Sakchi, in Bihar State, a model city was planned and built around this first of India's modern steel works, which today have an output of two million ingot tonnes. The city, which Government renamed Jamshedpur in honour of the Founder of Tatas, Jamsetji Tata, has grown in seven decades into an industrial complex of 500,000 people. About the Company said a former President of India: "It is the spirit not of private profit but of national service that seems to pervade this great endeavour."



TATA ENGINEERING AND LOCOMOTIVE COMPANY LIMITED (TELCO)



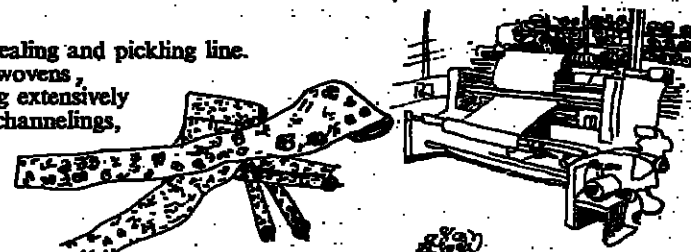
is the second largest industrial unit in India's non-governmental sector of industry. It produces more than 33,000 trucks and commercial vehicles annually, which is about 70% of the total commercial vehicle output of India. Additionally, it also manufactures excavators (shovels, draglines, clamshells and back-hoes) and crawler cranes. Up to 1977 more than 20,000 Tata vehicles had been exported to more than 50 different countries in Asia, Africa and South America. In 1977-78 alone, the value of its overseas sales amounted to more than

US \$ 45 million. TELCO continues to expand its sales in overseas markets in direct competition with some of the best commercial manufacturers in the world. In a joint enterprise with the TAB group of Malaysia, TELCO planned, designed, constructed and commissioned an industrial complex in that country for assembling 1000 trucks a year with progressive manufacture of the vehicle components to meet the requirements of East Asia where it already enjoys an appreciable share of the market. Telco's joint venture in Malaysia, TATAB Industries Sdn. Bhd., for the assembly of Tata commercial vehicles, has earned for itself a reputation for quality and excellent after-sales service. Telco's joint venture in Singapore, Tata Precision Industries Pvt. Ltd., set up for the production of high grade precision tooling for the sophisticated electronics industry, is recognised as one of the best tool-rooms in South East Asia. Eighty-five per cent of output is exported to the advanced countries of the world.

TATA TEXTILES

was the start of the aggregation of Indian industries known as Tata Enterprises when the Founder, Jamsetji Tata, established his first textile mill in Central India. Today the Tata Textiles group consists of four mills, Central India, Svadeshi, Tata and Ahmedabad Advance, equipped with a total of 7,555 looms and 3,55,000 spindles producing 133.4 million metres of cloth last year. Utilising modern machinery, the output of the four mills includes a wide range of fabrics like poplins, shirtings and cambrics, denim and suitings of pure cotton and synthetic blends involving viscose, polyester and filament yarn. A significant part of the Mills' production last year was exported. In recent years the Advance Mills of the Textiles group diversified into a Metals and Special Alloy Steels Division equipped with a

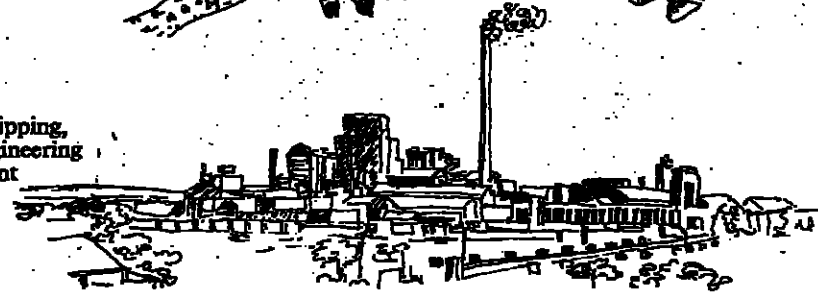
sophisticated Sendzimir Mills and a continuous annealing and pickling line. The Tata Mills pioneered the manufacture of non-wovens, their products having the brand 'BONDTEX' being extensively used for industrial filters, interlinings, insulations, channelings, lappings, wadding and other allied purposes.



TATA CHEMICALS LIMITED

located on the West Coast of India, Tata Chemicals Ltd. owns and operates a basic heavy inorganic chemicals complex which ranks amongst the world's most integrated and diversified chemical operation based on the solar evaporation of sea water. The largest producer of solar salt, the Company also produces Soda Ash, Sodium Bicarbonate, Caustic Soda, Chlorine and Chlorine-based products, Bromine and Bromine-based products and Pesticides. The Company has built and runs a model township for its employees. A fully self-reliant

company which has now entered the field of shipping, Tata Chemicals also undertakes the design, engineering and fabrication of Chemical Process Equipment for any part of the world.



TATA ELECTRIC COMPANIES

pioneered by Jamsetji Tata and now the largest private sector utility in India

THE TATA OIL MILLS COMPANY LIMITED (TOMCO)

founded in 1917, TOMCO is one of India's largest consumer product companies, with an extensive marketing network. Its 11 factories located in different parts of the country produce soaps, detergents, toilet preparations, refined edible oils, animal feeds, processed marine products, oilcakes and meals. The Company has promoted several successful subsidiaries—Lakme, Industrial Perfumes, International

Fisheries and Aftab Investments. Its joint-venture in Malaysia, UNITATA, is the largest, most integrated and diversified, processing complex anywhere in the world. LAKME LIMITED, India's leading house of cosmetics, has established itself in many parts of the world, as a reputed international name.



TATA-FINLAY LIMITED

is the largest single integrated tea company in the world with 53 tea estates spread over the southern and eastern States of India. It provides direct employment to 55,000 people, largely in rural India. Apart from being one of the largest producers and exporters of Indian black tea, it also has several operations for blending and marketing of teas in packages of all sizes for the domestic and export

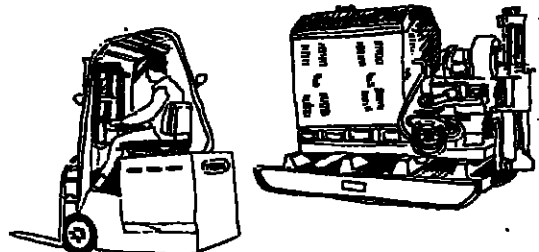
markets. The Company has notably pioneered the manufacture, directly from the green leaf, of Instant Tea powders which are exported, principally to the USA, where they have a ready and growing market.



VOLTAS LIMITED

Voltas Ltd., with the third biggest turnover among the enterprises promoted by Tata's is India's largest and most diversified marketing organisation with sales aggregating to US \$ 350 million. Voltas also manufactures airconditioning, material handling, mining and electrical equipment, and undertakes turnkey projects in India and abroad in the textile, water management, airconditioning, mechanical engineering

and water/air pollution fields. It markets products ranging from consumer products such as processed foods, pharmaceuticals, appliances to heavy industrial goods, including machine tools, construction equipment, textile machinery, basic chemicals, electrical switch transformers, and motors. Apart from branches throughout India, Voltas has associate companies in Saudi Arabia, U.A.E., Oman, Indonesia, and has established Service Centres in several countries in the Arabian peninsula for servicing mechanical, electrical, agricultural and airconditioning equipment. Voltas exports products to the U.S.A., Western and Eastern Europe, as well as the Middle and Far East. It has undertaken a variety of turnkey projects in Asia and Africa.



INDIAN HOTELS COMPANY LIMITED

operates a chain of five star hotels and beach resorts all over India starting with the renowned Taj Mahal Hotel (now the Taj Mahal Intercontinental Hotel) at the Gateway of India overlooking the beautiful harbour of Bombay. The Company's hotel chain includes the Rambagh Palace Hotel in Jaipur, the Lake Palace Hotel in Udaipur, the Fort Aguada Resort Hotel in Goa, the Taj Coromandel Hotel and the Covelong Beach Hotel, both in and near Madras, the West End Hotel in Bangalore, the Pandyan Hotel in Madurai, the Savoy Hotel in Ootacamund and most recently the Taj Mahal Hotel in New Delhi. The Company also operates restaurants in the classical Indian Hotels traditions in Europe, America and other parts of Asia. Until ten years ago, the Taj Mahal Hotel in Bombay, the nucleus of the

Indian Company, was perhaps the only hotel in the world, of which one hundred per cent of the profits went to the people through the medium of the Tata public philanthropic trusts. Even today fifty-two per cent of the equity capital of the Indian Hotels Company is owned by the Tata public trusts.



TATA EXPORTS LIMITED

is the largest export organisation in the private sector in India with an annual turnover of over 130 million dollars. The trading activities of the Company have been organised under eighteen main divisions, each specialising in a complementary range of products. The product range includes commercial vehicles, rolled steel products, pipes and tubes, railway rolling stock and track materials, light and heavy engineering products, textiles, finished leather, leather and textile garments, chemicals, toiletries, etc. The Power & Transmission Division undertakes turnkey projects for supply, erection and commissioning of all types of distribution and transmission equipment. The Projects & Equipment Division offers turnkey projects and management services for cement, sugar and chemical industries.

The Company has set up a most modern leather complex manufacturing high quality finished leather, leather garments and shoes for export. Supplies are being regularly made to leading fashion names in the world.

Apart from the trading and manufacturing activity in India and many turnkey projects in international markets, the Company promoted a number of joint ventures in Africa and the Middle East.

THE TATA PHILANTHROPIC TRUSTS

Jamsetji Tata's vision, idealism and drive, which laid the foundations of a strong industrial India, also made him a pioneer in the field of public benefactions. In his day, charity which took the form of alms-giving and doles, was mostly religious or communal. It was Jamsetji Tata who first conceived of philanthropy for nation-building activities.

The principal Trusts are the Sir Dorabji Tata Trust, the Sir Ratan Tata Trust, the Lady Tata Memorial Trust, the J. N. Tata Endowment for Higher Education and the J. R. D. Tata Trust.

PIONEERING PUBLIC INSTITUTIONS FOUNDED BY THE TATA TRUSTS

The Indian Institute of Science and Technology, Bangalore; the Tata Memorial Centre for cancer research and treatment; the Tata Institute of Social Sciences; the Tata Institute of Fundamental Research (the cradle of India's atomic energy development programme); the National Centre for the Performing Arts and the Tata Energy Research Institute.

Of the founder of Tatas, Jamsetji Tata, India's first Prime Minister, Jawaharlal Nehru, had this to say

Jamsetji Tata showed courage and vision and we should honour his memory as one of the great founders of modern India.

JAMSETJI TATA

Chicago Options Table

	price	Vol.	Last	Vol.	Last	Vol.	Last	Vol.	Last
25	143	9-14	131	23-14	2	143	10-14	2	143
30	17	8-9	9	10-14	2	143	11-14	2	143
35	17	8-9	9	10-14	2	143	12-14	2	143
40	127-111-10	31	31	31	31	31	31	31	31
45	25	11-13	30	11	31	31	31	31	31
50	25	11-13	30	11	31	31	31	31	31
55	25	11-13	30	11	31	31	31	31	31
60	25	11-13	30	11	31	31	31	31	31
65	25	11-13	30	11	31	31	31	31	31
70	25	11-13	30	11	31	31	31	31	31
75	25	11-13	30	11	31	31	31	31	31
80	25	11-13	30	11	31	31	31	31	31
85	25	11-13	30	11	31	31	31	31	31
90	25	11-13	30	11	31	31	31	31	31
95	25	11-13	30	11	31	31	31	31	31
100	25	11-13	30	11	31	31	31	31	31
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245	25	11-13	30	11	31	31	31	31	31
250	25	11-13	30	11	31	31	31	31	31
255	25	11-13	30	11	31	31	31	31	31
260	25	11-13	30	11	31	31	31	31	31
265	25	11-13	30	11	31	31	31	31	31
270	25	11-13	30	11	31	31	31	31	31
275	25	11-13	30	11	31	31	31	31</	

Volume Record Set on Eurobond Mart

(Continued from Page 19)
The first of these is an issue of 100 million DM for Banque Paribas, on Commerce Exterior, led by Dresdner Bank. The amount is to be split into short-term and long-term bonds.

RECE will be able to pay less than 8 percent. The federal government has announced a 10-year domestic issue carrying a coupon of 7 1/2 percent to be priced at 99 for a yield of 7.9 percent. First reactions were negative and the paper was quoted on a when-issued basis of 98 1/2-99 1/2.

In the tax-free sector, the World Bank and Coal and Steel Community issues carrying coupons of 7 1/2 percent and sold at par were both quoted at 99 1/2.

The 125 million DM of 10-year bonds for Light Services of Brazil were priced at 99 with a coupon of 8 1/2 percent but were trading at a discount of 1 1/2 points. Finland's 150 million DM of seven-year notes carrying a coupon of 8 percent were trading around issue price of par.

In the French franc sector, IBM France's 120 million francs of five-year notes, priced at 99 1/2 with a coupon of 11 1/2 percent, ended the week at 97 1/2 for a yield of 12 1/2 percent.

Syndicated Bank Loans

(Continued from Page 19)
The latest estimate from the Organization for Economic Cooperation and Development is for OPEC oil exporting states to run a surplus of \$75.5 billion.

The same name as the entities they have made loans to.

The action by Morgan Guaranty and Citibank to attract Iran's holding in Krupp and Morgan's additional move to attract assets held in Deutsche Babcock are viewed in Europe as excessive coverage of exposure while the Americans argue that these in fact are the only clearly identifiable Iranian government assets held outside Iran.

The one bright spot last week was the Nordic Investment Bank's issue denominated in Norwegian kroner. Demand for the five-year notes carrying a coupon of 10 percent was heavier than anticipated and the amount was increased to 80 million kroner from the 60 million initially indicated.

The current volume of loan syndicates is very low, in part due to year-end doldrums, due in part to the anticipation of next year's heavy needs and the expected tightening in lending conditions.

The American banks most closely involved in the affair take an optimistic view. "Banks have relegated the Iran problem to their legal departments," says a senior official of one of these banks. "It's a legal issue. Banks are saying 'we will do everything to protect their interest in the legal avenues open to us.' If that means suing governments, other banks, whoever it may be, we will do what we can to protect our interests."

"But the other side of the house — the rest of the bank — irrespective of nationality are saying 'let's get on with our business.' The problem has been compartmentalized," this executive says, and is not affecting how or what business is being done in the Eurobond market.

Meanwhile, little business is being done. Colombia finally a group led by Bank of America the mandate for a \$350-million, 10-year loan. This loan is under Colombian law and jurisdiction. The margin will be set at 4 percent over the London interbank offered rate, up from a split rate of 3 1/2-4 percent early this year.

Not the least of the problems is friction between U.S. and other banks. The Americans resent being alone to deal with Iran and its efforts to destabilize markets by selective withdrawal of dollars designed with U.S. banks and default outstanding debt.

Protection Needed
For their part, European bankers feel that U.S. banks have been on the legal framework within which to act through President Carter's executive order. Without similar action by their own governments, the Europeans argue that attempting to move against Iran will result in lawsuits by Iran which the banks say they might well win.

It's unreasonable to expect us to be steps against Iran without a permanent umbrella," said a leading West German banker. "If we don't like what's going on in Iran and block funds we can be sued and might lose."

The Europeans are also put off by the U.S. banks' seeming rush to cash any and all official Iranian assets to offset outstanding loans. The Europeans often do not share the U.S. banks' view that the U.S. banks have done is open to question as the official Iranian assets the banks hold are rarely in

the same name as the entities they have made loans to.

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Canada (air)	228.00	114.00	63.00	Pakistan (sea)	228.00	114.00	63.00
Canada (sea)	228.00	114.00	63.00	Peru (air)	228.00	114.00	63.00
Chad (air)	228.00	114.00	63.00	Poland (air)	228.00	114.00	63.00
Chad (sea)	228.00	114.00	63.00	Portugal (air)	228.00	114.00	63.00
China (air)	228.00	114.00	63.00	Romania (air)	228.00	114.00	63.00
China (sea)	228.00	114.00	63.00	Saudi Arabia (air)	228.00	114.00	63.00
Czechoslovakia (air)	228.00	114.00	63.00	Senegal (air)	228.00	114.00	63.00
Czechoslovakia (sea)	228.00	114.00	63.00	Sierra Leone (air)	228.00	114.00	63.00
Denmark (air)	228.00	114.00	63.00	Singapore (air)	228.00	114.00	63.00
Denmark (sea)	228.00	114.00	63.00	South Africa (air)	228.00	114.00	63.00
Dominican Republic (air)	228.00	114.00	63.00	Spain (air)	228.00	114.00	63.00
Dominican Republic (sea)	228.00	114.00	63.00	Sweden (air)	228.00	114.00	63.00
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Egypt (sea)	228.00	114.00	63.00	Thailand (air)	228.00	114.00	63.00
France (air)	228.00	114.00	63.00	Turkey (air)	228.00	114.00	63.00
France (sea)	228.00	114.00	63.00	U.S.A. (air)	228.00	114.00	63.00
Germany (air)	228.00	114.00	63.00	U.S.A. (sea)	228.00	114.00	63.00
Germany (sea)	228.00	114.00	63.00	U.S.S.R. (air)	228.00	114.00	63.00
Ghana (air)	228.00	114.00	63.00	U.S.S.R. (sea)	228.00	114.00	63.00
Ghana (sea)	228.00	114.00	63.00	Yugoslavia (air)	228.00	114.00	63.00
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Arthur Ashe shows some of his scars after quadruple coronary bypass surgery. With the tennis player is Dr. John Hutchinson, who led the team of surgeons at a hospital in New York.

Ashe's Goal Is Wimbledon After Coronary Surgery

By Jane Gross

NEW YORK, Dec. 23 (NYT) — Arthur Ashe pulled open his powder blue pajama top, puffed up his chest and proudly exhibited the incision bisecting his upper body; then he rolled up his trousers to display scars running from knee to ankle.

Two weeks ago the 36-year-old tennis star was on the operating table at St. Luke's Hospital here, where three surgeons performed quadruple coronary bypass surgery. Friday, accompanied by Dr. John Hutchinson, Ashe was in the hospital's solarium discussing his plans to be "back in the gym next week" after his discharge this weekend.

"I think you'll see me playing Wimbledon in June," Ashe predicted, explaining that he would begin with light workouts under the supervision of a team of cardiologists and sports medicine specialists from New York Hospital.

Constant Monitoring
"It will involve around very formal stress tests," Ashe said. "When I'm back on the tennis court, I'll be hooked up to monitors, and we'll see how the heart is doing under stress. If it's OK, I'll keep going. If not, I'll stop."

Referring to diagrams of Ashe's heart before and after surgery, Hutchinson described the procedure in which veins from Ashe's legs had been grafted to the coronary arteries, providing a new circulation path around obstructed areas.

In Ashe's case, the circumflex artery — one of the three main arteries of the heart — had been damaged as a result of a heart attack in July. Subsequent angiograms — cardiac X-ray procedures — revealed obstructions in the two other main arteries: two obstructions in the left anterior descending artery, one in the right coronary artery.

Ashe's surgery was scheduled after four months of a cholesterol-free diet had failed to improve his condition substantially.

Hutchinson, who has performed some 4,000 open-heart operations in the last 12 years on people ranging in age from 19 to 87, said that "Mr. Ashe has a lot of things going for him." The doctor said that the blood vessels beyond the blocked area in Ashe's heart were in excellent condition and that an athlete's heart is "a good muscle with tremendous reserve."

Hutchinson used veins from both of Ashe's legs instead of just one, as is customary, so as not to cut across the knee or ankle joints. "The operation, to that extent, was tailored to Mr. Ashe's athletic endeavors," he said.

Ashe's doctors assume that he had been suffering from severe arteriosclerosis for several years before his heart attack. Ashe's father has had two heart attacks, and the condition, Hutchinson said, is probably hereditary since Ashe does not smoke and is not overweight. Ashe said he would advise his 31-year-old brother, a career Marine officer, to undergo diagnostic tests, "just to make sure."

Ashe was in high spirits Friday, despite post-operative anemia and some mild discomfort caused by steel wires used to reconstruct the sternum.

"If I walked the way I felt like walking, I'd wind up a hunchback," Ashe said. Tentatively making a serving motion, he added, "Reaching hurts a little bit."

"It's amazing," Ashe said. "If you see somebody right after the bypass, you figure there's no way they'll look like me in a week, but everybody does."

"The one thing that stands out in my mind more than anything," he went on, "is I've been running around playing tournament tennis for a long time with quadruple vessel disease and didn't even know it. Now I should be able to function better than I did two or three years ago."

Ashe's wife, Jeanne Moutoussamy, has stayed at St. Luke's all week, sleeping on a cot in her husband's room. Ashe was walking within a few days after his surgery and has made regular visits to the cardiac recovery room.

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Washington U. 8 Is First in Nile Rowing

By Norman Hildesheim

LUXOR, Egypt, Dec. 23 (NYT) — The ninth annual Nile International Rowing Festival got under way here today with first-round races and with banners proclaiming "Welcome, heroes of rowing."

Teams representing the United States, Canada, West Germany, Britain and Ireland joined the host Egyptian rowing teams in the opening ceremonies staged in the 4,000-year-old Amenhotep Temple. The teams entered the temple to the triumphal march from Akh, led by a procession of camels bearing the flags of the competing countries.

The opening rounds of the Nile Festival are held in Luxor to celebrate the ancient pharaonic races that were rowed on the same stretch of the Nile where today's racing was held. In ancient times, the winning Egyptian oarsmen gained the honor of rowing the deceased pharaohs from the east bank of the river, where the Luxor temples stand, to the west bank burial tombs in the Valley of the Dead.

Today the University of Washington heavyweight crew, representing the United States, won the featured eight-oared race. Washington, 8:00, defeated the British team, 8:15.

West Germany, whose play was cheered by many in the crowd of 70,000, took control with a goal from Klaus Fischer in the 15th minute and doubled its lead with a goal just before the end.

80-Day Strike Ends
At U.S. Tractor Firm
PEORIA, Ill., Dec. 23 (AP) — Workers at Caterpillar Tractor Co. plants have returned to their jobs after an 80-day strike that had halted U.S. operations.

The United Auto Workers ratified a three-year contract Wednesday with Caterpillar, the world's largest maker of construction machinery. About 40,000 UAW workers had struck Caterpillar in six states. The new contract provides a 9-percent pay raise, to \$9.70 an hour, plus quarterly cost-of-living adjustments.

Ski Race Postponed
SCHLADMING, Austria, Dec. 23 (UPI) — The men's World Cup downhill ski race scheduled here yesterday was postponed by poor visibility after 28 competitors came down the course. No new date was announced.

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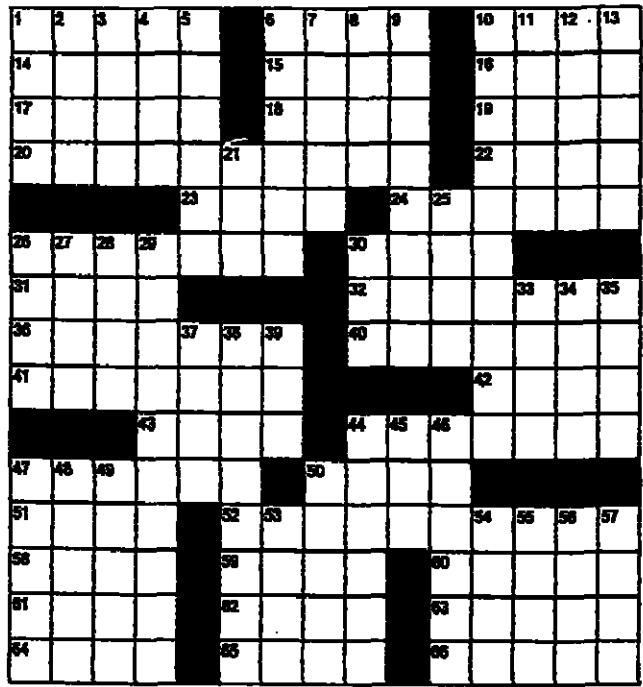
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CROSSWORD By Eugene T. Maleska



ACROSS

- 1 Less ruddy
6 Bends in the middle
10 Door catch
14 True
15 Rodgers collaborator
16 Italian commune
17 Describing Milquetoast
18 Kind of code
19 Freshly
20 Used garment
21 Brooklet
22 Prayer ending
24 Ritz and Grand
26 Having claws
28 Raspberries' kin
31 Prolific poet: Abn.
32 Mollify
34 Carressed
36 Makes seawater potable
41 Rose or Ethel
42 Leak out
43 Fencer's foil

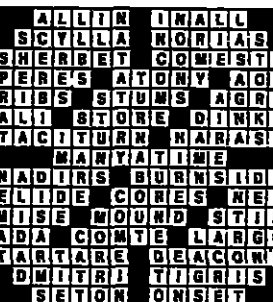
DOWN

- 44 General pardon
47 Admits
50 Dark purple fruit
51 Give off
52 Kind of Boy Scout
53 Put the kibosh on
54 Busy as
55 Brink
56 Gardner's first name
62 Ripped
63 Kind of Boy Scout
64 Soap ingredients
65 Termini
66 Eye ailments

DOWN

- 1 Trail
2 Inter—
3 Draw
4 Geraint's wife
5 American aborigine
6 Changed slightly, as a
7 Hank or Tommy
8 Developed
9 Buggy
10 Wild pansy
11 Laurie
12 Fishline leader
13 Certain sitting bolts
21 Friend, in Glasgow
25 Chummy
26 person's cry
27 Kind of force
28 Feed the kitty
29 Elinor Wylie's "Jennifer"
28 Alert
29 Spoiled
30 Dark brown and October
34 Printer's direction
35 Make out
37 Pollu's cap
38 Lacking teeth
39 Textile pigment
40 John and Priscilla
45 Morris, for short
46 Jitters
47 On the (homage)
48 Kind of board
49 Championship
50 Wooden Mortimer
53 Black
54 Deed
55 Binge
56 Give the eye
57 Kickers' positioners

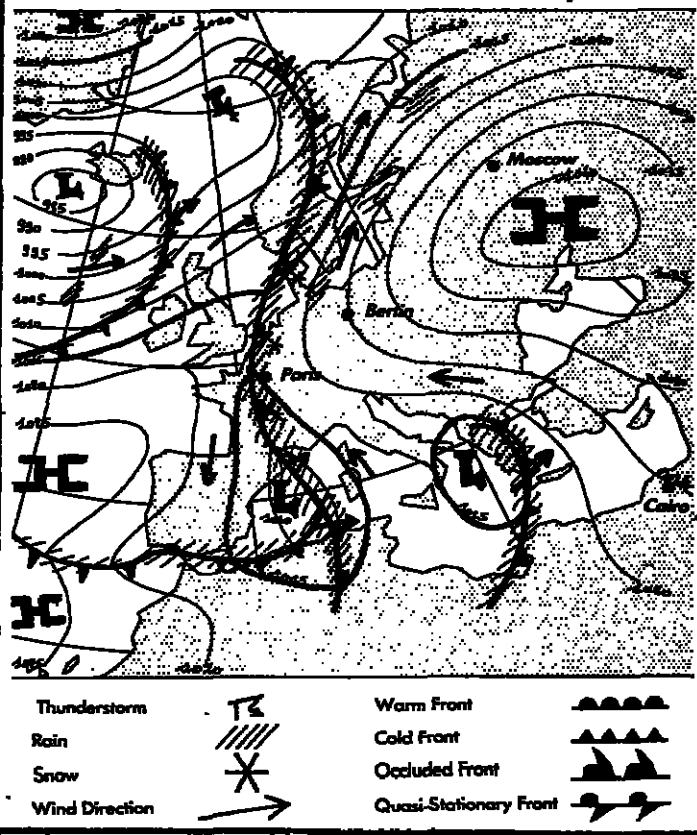
Solution to Friday's Puzzle



WEATHER

City	Temp	Cond	City	Temp	Cond
ALBUQUERQUE	52	Cloudy	MADRID	54	Overcast
AMSTERDAM	52	Rain	MANILA	84	Sunny
ANKARA	52	Foggy	MILAN	64	Cloudy
ATHENS	52	Overcast	MONTREAL	34	Foggy
BELGRADE	52	Overcast	MOSCOW	34	Foggy
BERLIN	52	Overcast	MUNICH	34	Overcast
BIRMINGHAM	52	Overcast	NEW YORK	74	Cloudy
BUDAPEST	52	Overcast	OSLO	74	Overcast
CASABLANCA	52	Overcast	PARIS	24	Overcast
CHICAGO	52	Overcast	PRAGUE	74	Overcast
COPENHAGEN	52	Overcast	ROME	74	Overcast
COSTA MESA	52	Overcast	SOFIA	74	Overcast
DUBLIN	52	Overcast	STOCKHOLM	32	Rain
EDINBURGH	52	Overcast	TEHRAN	52	Sunny
FLORENCE	52	Overcast	TEL AVIV	74	Overcast
FRANKFURT	52	Overcast	TOKYO	74	Overcast
GENEVA	52	Overcast	TUNIS	74	Overcast
HAVANA	52	Overcast	VIENNA	74	Overcast
HOUSTON	52	Overcast	WARSAW	74	Overcast
LOS ANGELES	52	Overcast	WASHINGTON	74	Overcast
LONDON	52	Overcast	ZURICH	74	Overcast
LOS ANGELES	52	Overcast			

Situation Forecast for Noon G.M.T. Monday

Just-Add-Water Electricity Device
Stirs Hope, Sinks Bogus Pitchman

TEMPLE, Texas, Dec. 23 (UPI)—Folks from all over had been amazed by Arnold Burke's elaborate assemblage of coils, tubes and turbines—a perpetual motion machine that was going to provide lots of cheap electricity.

Mr. Burke had found investors—at least \$800,000 worth—telling them that all the gizmo needed was a few gallons of water each month and it would provide enough electricity for three households. His spiel even included some old-time religion: He called the machine "Jeremiah 33:3," after the Bible verse that says, "Call unto me and I will answer thee and show thee great and mighty things, which thou knowest not."

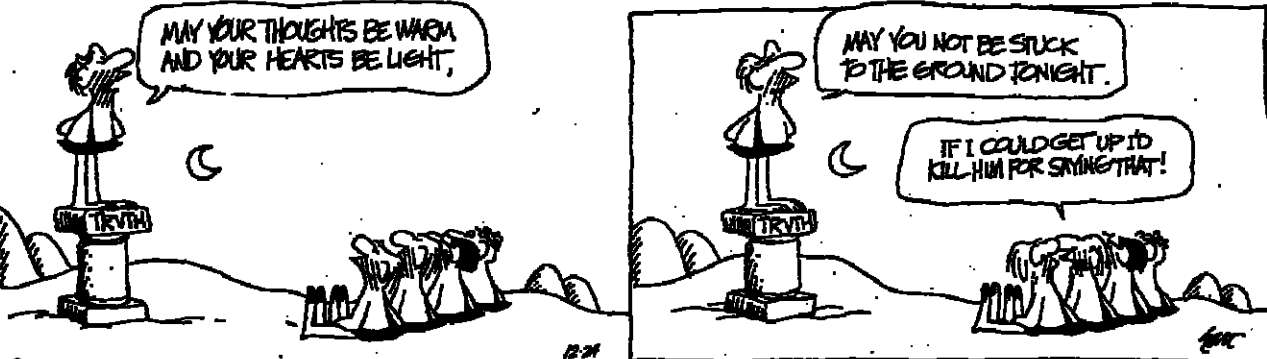
But finally somebody did know. Mr. Burke was charged last week with felony fraud and was released on \$50,000 bond. His 12-foot high, 4-foot wide Rube Goldberg-style machine, which was going to sell for about \$2,000, supposedly forced water into a turbine with enough force to create electricity. It was contrary to the laws of physics since it was to produce more energy than was put in.

Engineer David Kehl figured out that Mr. Burke had plugged the machine into a bathroom outlet in his laboratory. In reality the device was powered by a \$75 pump.

PEANUTS



B. C.



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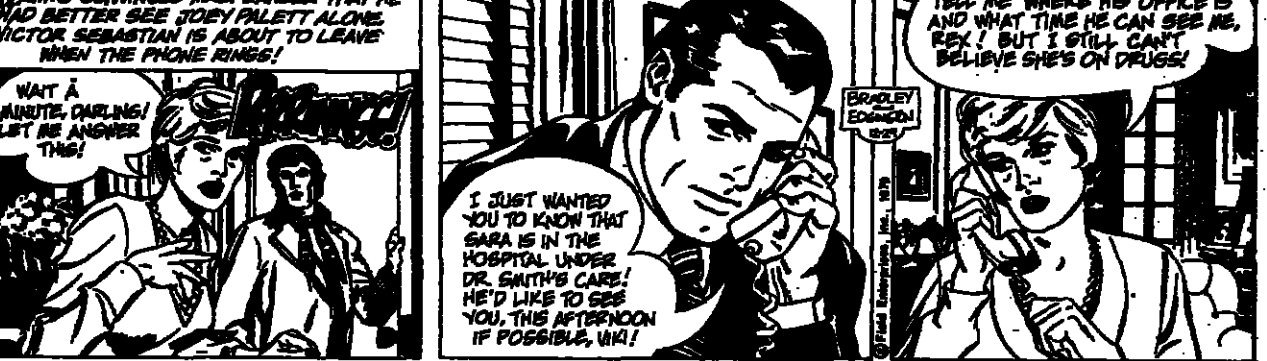
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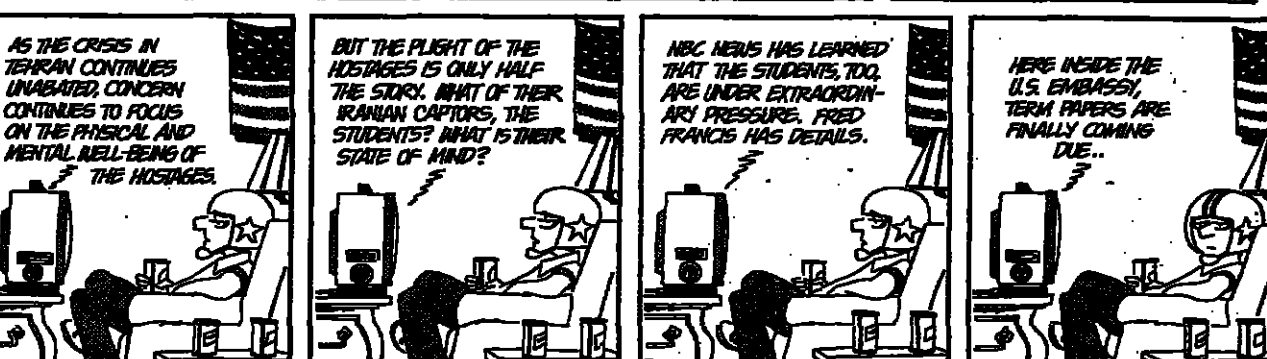
REX MORGAN



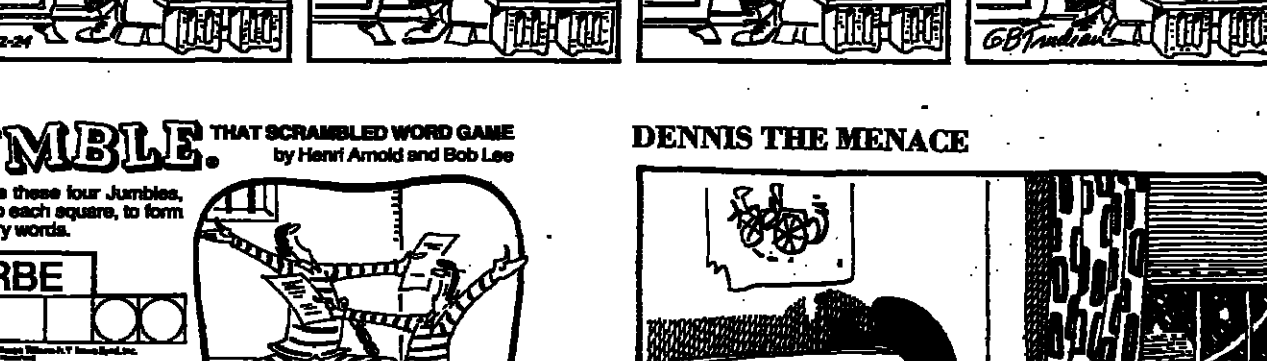
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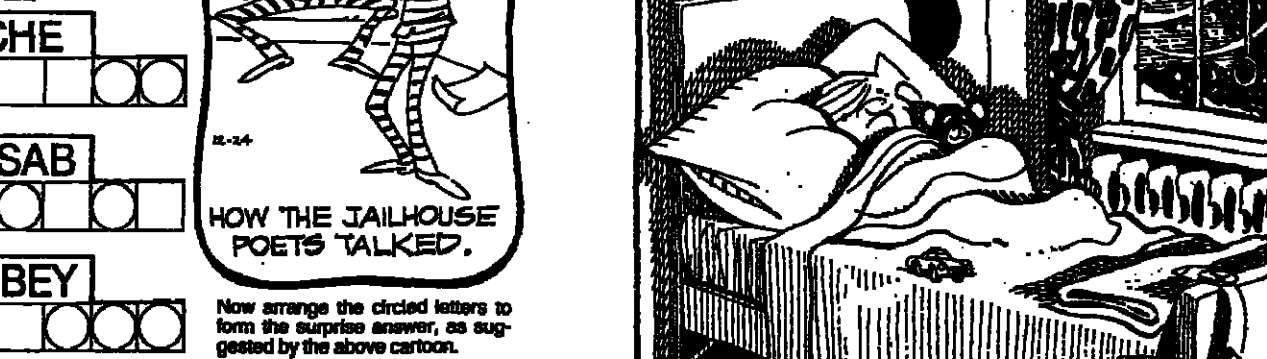
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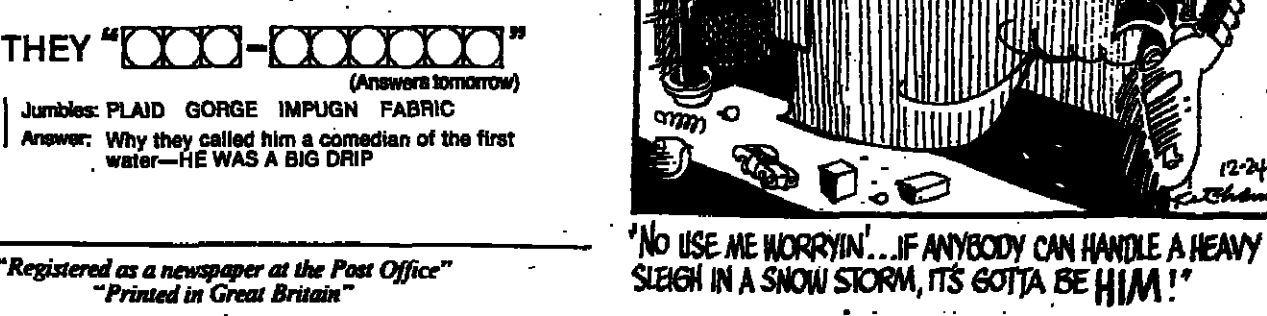
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BOOKS

THE GNOSTIC GOSPEL

By Elaine Pagels. Random House. 182 pp. \$10.

Reviewed by John Leonard

MERRY Christmas. More prop-
erly, this book should have
been published shortly after Easter
instead of just before Christmas.
Back around 100 A.D., one of the
principal differences between the
"orthodox" Christians and the "heret-
ical" Gnostics had to do with
whether Jesus had been resurrected
in "body" or merely in "spirit." By
200 A.D., the materials owned
the franchise, authority by apostolic
succession was established, and the
Gospels according to Philip, Thomas,
Mary (Magdalene) and James
(the putative twin brother of Jesus)
were suppressed. We would have to
wait until the 16th and 17th centu-
ries for Martin Luther, Jakob
Boehme, George Fox and William
Penn. We would have to wait until
the last quarter of the 20th century
for boutique Christianity, or what
to wear in the desert while one's
soul is being grilled.

Except that the gospels according
to the Gnostics were, at least partly,
recovered 30 years ago in an ear-
thenware jar in the Egyptian desert.
Elaine Pagels, Barnard professor
and historian of religion, learned
Coptic, sat on committees, received
grants and went to Cairo to con-
template these gospels and to report—
in a series of four articles for the
New York Review of Books—on
what the Gnostics really thought
and why they lost the franchise.

Imagining the Alternatives
"The Gnostic Gospels" begins as
a brave book and dribbles into it-
erary. We are led by rigorous
mind and a vigorous style to under-
stand the Gnostic dissent from a
masculine, hierarchical, nuts-and-
bolts religion—a theocratic im-
pulse. We are persuaded that
Thomas is just as interesting as
Matthew or Mark, and that Valen-
tinius is more interesting than Ter-
tullian. We are asked to consider
Christianity as a problem in political
organization. We are made to
listen to everybody who went sum-
mertime out in the Middle Eastern
desert and became prophetic. We
are obliged to imagine the alterna-
tives.

The Gnostic alternative seems
reasonable and benign and very
modern, which, as Pagels explains,
its popularity in America is due to
John Ford and Harold Bloom.
We are, all of us, full of demigods.
We sink back to the self when the
world is less amiable than our ther-
apist has led us to believe. We con-
sider the compass of a Sufi mystic or
a hot tub or the messages to be
found in the astrology cookies when
reality has voted us down or when
Peter gets a piece of the rock. We
are, anyway, better than they are,
whoever they may be.

I am serious and depressed. Accord-
ing to Elaine Pagels, the Gnostics
were footloose and ethereal and
non-serious. Their alternative to the
church, perceived as a kind of series

CHESS

By Robert Byrne

FLORIN GHEORGHIU, a
Romanian grandmaster, cap-
tured first prize in the Novi Sad,
Yugoslavia, International tourna-
ment, a triumph that indicates he
has surmounted the lack of confi-
dence that has spoiled his results in
recent years. The 35-year-old
Gheorghiu, who has been a grand-
master since he was 21, tallied 10-3.

Second place went to the Russian
grandmasters Evgeny Geller and
Evgeny Sveshnikov, each of whom
scored 9-4.

Some of the boldness that Gheorghiu
brought to this competition can
be seen in his victory over the
Russian grandmaster Alexander
Belyavsky. Gheorghiu exchanged
off his defensively valuable fianchetto
king bishop to win a pawn,
daring Belyavsky to make some-
thing out of it. When the Russian
did not, Gheorghiu found a crisp
method of garnering a point.

Belyavsky's 11 B-N5 was unusual
against Gheorghiu's Hippopotamus
formation and it is not clear how
White could have gotten anything
at all had Gheorghiu played
11... P-R3; 12 B-K3, B-N2; 13
P-B3, Q-N-Q2; 14 Q-Q2, K-R2.

After 12... Q-B2, Belyavsky
could have forced the exchange of
the defensively useful fianchettoed
king bishop by the immediate 13 B-
R6. Perhaps he did not believe that
Gheorghiu would go to the lengths of
13... R-B1 to preserve it by
14 N-B2, N-K1; 15 B-R6, B-R1.

The pawn sacrifice Belyavsky of-
fered with 16 N-K3! was risky to
accept, but after 16... N-Q2; 17
K-R1 (why not the prudent, but still
powerful, 17 P-B3 followed by 18 P-
KR4 and 19 P-R5?), Gheorghiu
took the plunge with
17... BxN?; 18 Qx8, BxP.

On 20... P-B4, Belyavsky
might have adopted Geller's sug-
gested 21 RxB?; P-R; 22 Q-KR3.
Here, for example, the defense with
22... N-B4 would have come to
grief with 21 N-R6ch, K-B1; 24 P-
QN4, N-Q6; 25 Q-K6, Q-KN2; 26
B-K7ch, Qx8; 27 Q-N8mate.

Instead, his leisurely alternative,
21 N-R6ch?; K-N2; 22 P-B3, B-
N2; 23 P-QN4 permitted Gheorghiu
to squirm successfully out of
the bind with 23... N-J-B3.
24... R-K1 and 25... R-K3.
Almost at once, Gheorghiu ven-
tured the ambitious 27... P-K5!
which ignored the newly created pin
by the white queen for the sake of
opening lines for counterplay with
the black pieces. On 28 PxP, BxP,

After 40 Q-B7, it would have
been wrong to carry on the threat
of 40... B-B5? because of 41
BxNch, Kx8; 42 QxPch, K-N2; 43
NxPch, P-N; 44 QxNch with at
least a draw.

However, Gheorghiu's quietly
devastating 40... B-K3! left Bel-
yavsky without an answer; 41 Q-
R7, B-B5; 42 Q-B2, Qx8ch; 43
QxQ, BxQ; 44 KxB, N-K5 is a
hopeless ending; 41 P-N4, N-K5; 42
Q-R7, Nx8; 43 P-N, P-B5 is even
worse and 41 BxNch (41 Q-Q8, B-
B5), Kx8; 42 QxP, K-N2 wins a
piece.

After taking 50 minutes, Belyav-
sky sealed 41 P-QR4 but resigned
without resuming play.

White	Black	White	Black
1-2-3	4-5-6	7-8-9	10-11-12
13-14	15-16	17-18	19-20
21-22	23-24	25-26	27-28
29-30	31-32	33-34	35-36
37-38	39-40	41-42	43-44
45-46	47-48	49-50	51-52
53-54	55-56	57-58	59-60
61-62	63-64	65-66	67-68
69-70	71-72	73-74	75-76
77-78	79-80	81-82	83-84
85-86	87-88	89-90	91-92
93-94	95-96	97-98	99-100

Eagles Get By Bears, 27-17, in NFL Playoff

PHILADELPHIA, Dec. 23 (UPI) — Quarterback Billy Cappelletti and running back Ron Jaworski's short pass near the end zone led the Philadelphia Eagles to a 27-17 victory over the Chicago Bears in a National Football League wild-card playoff game.

Red Smith

Papa Bear Stays Home in Chicago

NEW YORK, Dec. 23 (NYT) — The Chicago Bears, who have been a caddy to the grizzled most of the last 15 years, were in Philadelphia, looking for the half-championship of the National Football League, but Papa Bear was not with them. George Stanley is the last survivor of that little group of wild men who sat on the bench in Ralph Hay's Hornet showman in Canton, Ohio, on Dec. 17, 1920, and laid the foundation of the NFL.

George Stanley, 73, died of a massive coronary heart attack last Sunday morning. He took a lot out of George, but, except when he was at the wake and funeral, he has continued to keep regular hours in the club office in the city of Chicago.

Papa Bear is a flaming wonder. As the team he founded winds up its season, he still functions as owner, chairman of the board and chief executive officer.

Another day Jim was penalizing the Bears 15 yards, and Halas cupped hands and yelled, "You stink! Jim just marched off another 15 yards, and turned and shouted, 'How do I smell from here?'"

George's eyes still flash when he remembers how a referee robbed the Bears in 1920, when they were the Decatur Staleys. They played 13 games in 1920, and the only team that scored against them legitimately was the Hammond Pros, who Decatur whipped, 28-7. In Chicago the Bears were leading the Racine Cardinals, 6-0, late in the game when the Cardinals completed the sideline pass. The receiver ducked behind a knot of spectators who had crowded onto the field and with his civilian interference ran for a touchdown. Not wishing to become suddenly dead, the referee allowed the score, and the Cardinals won, 7-6.

W.B. Wolfe of Chicago forwarded a letter from George. And again: "Yes, I did make an offer to now President Gerald Ford to join the Bears after the 1935 College All-Star game against our team. I might have been the Bears' bid exceeded the \$50 per game offer from Curly Lambeau of Green Bay. However, Jerry Ford turned both of us down with the information that he intended to go on to Yale for his law degree and wasn't interested in pro football."

The Halas memory remains keen for details like those. Eleven teams represented when the league was formed in that Canton auto agency, after the meeting it was announced that the franchise fee was \$100. Actually, George says, nobody paid anything. "I doubt if there was a dollar back in the whole room."

Whittingham's lively history borrows an anecdote from "My Life with Redskins" by Corinne Griffith, the star of silent films who married Preston Marshall, the late owner of the Washington club. She tells a sideline shouting match between Marshall and Halas during the 1937 championship game after Marshall, infuriated because a Bear had taken a sack at Sammy Baugh, stormed down to the playing field.

George (Marshall) stomped back to the box, snorted as he sat down, and, of course, took it out on me.

"What's the matter with you? You look white as a sheet!"

"Oh, that was awful!"

"What was awful?"

"That horrible language. We heard every word."

NFC Central champion, the Tampa Bay Buccaneers, at Tampa Bay next Saturday.

Philadelphia began its winning march when veteran cornerback Bobby Howard intercepted Mike Phipps' pass in the end zone to halt a Chicago drive that carried to the Eagles' 9-yard line.

Jaworski scrambled 20 yards on a third-and-15 from his own 15 keep the drive alive. Three plays later from his own 37, Jaworski threw a short pass to Cappelletti, whom the Eagles usually employ in third-down passing situations.

The second-year tailback from Kansas outraced linebacker Jerry Mockmum to the right sideline and got a key block from wide receiver Charlie Smith at the Bears' 45 to spring him toward the end zone for the score with 12:24 left to play.

A fumble recovery by noseguard Charlie Johnson at the Chicago 33 and a personal foul penalty against the Bears set up a 34-yard field goal by Tony Franklin — his second of the game — with 5:40 left for a 27-17 lead.

Chicago had one last chance to get back into the game with less than three minutes to go when linebacker Gary Campbell recovered a fumble at the Eagles' 32 but Herman Edwards intercepted Phipps' pass on the Bears' first play to end the threat.

The Bears gained their halftime lead on two short touchdown runs by Walter Payton. But the Eagles tied the game with 6:52 remaining in the third period on Jaworski's second scoring pass of the game to Harold Carmichael, a 29-yarder. The score capped a 67-yard drive.

After a short Philadelphia kickoff, Phipps led the Bears from their 42 to the Philadelphia 9 with the help of three successive pass completions but then was intercepted by Howard on a second-and-goal play.

Chicago missed two chances to extend its lead earlier in the third period. Payton ran 84 yards on Chicago's first play of the half but it was called back because of an illegal motion penalty. Moments later, Chicago cornerback Allan Ellis intercepted a Jaworski pass and returned it 25 yards to the Philadelphia 40. But Bob Thomas missed a 50-yard field-goal attempt and the Eagles took over.

The Eagles took a 7-0 lead with a little over four minutes gone in the game, driving 26 yards after Wally Henry returned a punt 34 yards. On the fifth play of the drive, Jaworski passed to Carmichael between defensive backs Ellis and Doug Plank for a 17-yard touchdown.

The Bears mounted an 82-yard scoring march to tie the game later in the period. Phipps found Brian Baschmagel for 15 yards to move to midfield but the big play came on a third down from the Philadelphia 35 when Payton took a short toss from Phipps and turned it into a 31-yard gain. After a penalty against the Eagles, Payton hurried over the middle of the line from 2 yards out.

Jaworski completed four successive passes following the ensuing kickoff, including passes of 18 and 9 yards to Carmichael, as the Eagles drove to the Chicago 12. But the drive stalled after two passes to Keith Krepfle were batted away in the end zone and Franklin kicked a 29-yard field goal to make it 10-7.

A short Philadelphia punt gave the Bears the ball on the Eagles' 47 and Chicago punched over its second touchdown in five plays. The drive was sustained when Eagles' cornerback Herman Edwards intercepted a Baschmagel in the end zone, putting the ball on the 1. Payton carried it over to make it 14-10 with 2:04 left in the half.

The Bears tucked on three more points before halftime with the help of Alan Page's recovery of a fumbled snap by Jaworski at the Eagles' 16. Thomas kicked a 30-yard field goal with 51 seconds left and the Bears led, 17-10, at the half.

Flayers Unbeaten in 29 for NHL Record

By John Feinstein

PHILADELPHIA, Dec. 23 (UPI) — The Philadelphia Flyers broke the National Hockey League record for consecutive games without a defeat as they won their 29th straight game yesterday, routing the Boston Bruins, 5-2, in their own arena.

The Flyers now have gone 29 games without a defeat — 20 victories and 9 ties — since a 9-2 loss to the Montreal Canadiens on Oct. 13, the second longest of the season. They broke the record of 28 games without a defeat set by the Montreal Canadiens two years ago by the Montreal Canadiens.

Appropriately, Bobby Clarke, the star of the Philadelphia franchise, scored the first goal of the first half. That put the Flyers ahead for good in a game they controlled almost from the start.

Clarke scored at 5:58 with a typical Clarke goal. Gliding in on the left side, he nudged Boston's Al Secord off the puck as Secord tried to skate it behind the net. Spinning the right faceoff circle, Clarke red a quick wrist shot that was headed by Gilles Gilbert before he could move.

"Any time you get the first goal in this building it's very important," said Clarke, dripping a little blood on his mouth in the Flyers' locker dressing room. "We knew they would come at us very hard



Two basketball players for Bradley McMath (No. 44) and Hasan Houston, are showered with glass after a slam dunk by Kevin Spewer of Chicago Loyola (white jersey) tore off the rim. The game, delayed for 76 minutes to replace the backboard, was won by Loyola, 84-76.

All That Jazz, and Then Some

By Scott Ostler

LOS ANGELES, Dec. 23 (LAT) — Brigham Young, leader of a westward-struggling group of persecuted pioneers called Mormons, stood on a bluff overlooking the Salt Lake Valley in 1846 and said, "This is the place."

Sam Battistone, owner of a struggling, persecuted basketball franchise, did something similar last summer. He was probably looking out the first-class cabin window of a 727 as it skimmed low over the Great Salt Lake. Battistone probably said something like, "This is the place — assuming, of course, that we can get league approval to move the ball club, and that we can get out of our Superdome lease, and that the Utah basketball fans are willing to support the worst team in the National Basketball Association, and that we still have enough players to field a team."

And so it came to pass, after a few legal hassles, that the New Orleans Jazz became the Utah Jazz. The problem in New Orleans was in scheduling at the Superdome. The team would have been blocked out of its home court for 34 straight days.

The Cost of Losing

"If we were a good team, we wouldn't be here in Salt Lake City," says Frank Layden, the Jazz's new general manager. "If we were a good team they would have given us the date."

Since the Jazz came into being five seasons ago, it has lost consistently. Last season it was 26-56, worst in the league.

When the team moved to Utah, it got a new arena (the Salt Palace), new coach (Tom Nissalke), new general manager (Layden) and a whole lot of new players. Battistone said the team would be a rebuilding project.

The Jazz warned Utah fans that this would be a rebuilding (read: losing) season, and the team went out and lost 19 of its first 21 games, including 14 in a row.

Scrambling for the record books, researchers noted that the Jazz was on a pace to challenge the all-time NBA record for futility — the 9-73 mark of the 1972-73 Philadelphia 76ers.

On top of that, Nissalke turned the team's superstar, Pete Maravich, into an expensive piece of sideline furniture, began shutting players on and off the roster, and designed a starting lineup that included a center (Ben Poquette) who should be a second-string forward, a seemingly over-the-hill veteran (Ron Boone) at shooting guard and a fifth-round draft pick (Duck Williams) at point guard.

Adrian Danley, averaging about 25 points, is probably the only Jazz starter who would have a prayer of making another NBA starting lineup.

"It's kind of an unusual collection of guys," Nissalke says. "But they're good guys and I like 'em. They're fun guys."

NBA Standings

EASTERN CONFERENCE Atlantic Division

Philadelphia 17, Boston 16, New York 15, Washington 14, Detroit 13, Cleveland 12, Milwaukee 11, Chicago 10, Indiana 9, Kansas 8, San Antonio 7, Dallas 6, Houston 5, Portland 4, Utah 3, Denver 2, Seattle 1.

Central Division

Atlanta 17, New Orleans 16, Memphis 15, San Diego 14, Phoenix 13, Los Angeles 12, Golden State 11, Sacramento 10, Portland 9, Dallas 8, Houston 7, Denver 6, Seattle 5, Utah 4, Milwaukee 3, Chicago 2, Washington 1.

Western Conference Midwest Division

Minneapolis 17, Kansas City 16, Denver 15, Portland 14, Phoenix 13, Los Angeles 12, Golden State 11, Sacramento 10, Portland 9, Dallas 8, Houston 7, Denver 6, Seattle 5, Utah 4, Milwaukee 3, Chicago 2, Washington 1.

Pacific Division

Seattle 17, Los Angeles 16, San Diego 15, Phoenix 14, Golden State 13, Sacramento 12, Portland 11, Dallas 10, Houston 9, Denver 8, Utah 7, Milwaukee 6, Chicago 5, Washington 4, New York 3, Boston 2, Philadelphia 1.

Playoffs

Philadelphia 17, Boston 16, New York 15, Washington 14, Detroit 13, Cleveland 12, Milwaukee 11, Chicago 10, Indiana 9, Kansas 8, San Antonio 7, Dallas 6, Houston 5, Portland 4, Utah 3, Denver 2, Seattle 1.

McGinnis Still Playing

Liberty Bowl

By Gordon S. White Jr.

MEMPHIS, Tenn., Dec. 23 (UPI) — In a throwback to a more exciting brand of Penn State football when Joe Paterno was starting out as the head coach, the Nittany Lions used a halfback option play in the last minute of action here yesterday to defeat Tulane in the 21st annual Liberty Bowl.

This bit of razzle dazzle for 39 yards put the ball on the Tulane 11. Two plays later, Herb Memhardt kicked his third field goal of the game to give Penn State a 9-6 triumph over the Green Wave in a game of five field goals.

Tulane's Ed Murray kicked both of his field goals in the fourth period and appeared to have assured the Green Wave of a tie when he connected for the second time with just 2 minutes and 40 seconds to go in the game.

But Paterno, who was 53 years old Friday, reverted to his younger days in a desperate and successful attempt to grab the victory.

The big play was a pitchout to a fourth-string sophomore tailback, Joel Coles, who then threw a long pass down the left sideline to Tom Donovan with 27 seconds to go.

That was the key to Penn State's seventh victory in 12 bowl games since Paterno became the head coach in 1966.

It was an obviously happy ending to the season for the troubled Penn State team, which drew as much attention this year for its players' conduct off the field as its play on the gridiron. As recently as Saturday morning, another Penn State player was arrested by Memphis police, making three times this year that a Nittany Lion player has gotten his name on a police blotter somewhere.

The game was played in rain throughout, which helped prevent Roch Hontela, Tulane's fine passing quarterback, from having a successful day. However, Penn State's defense played one of its best games of the season, particularly on the pass rush.

Hontela completed 21 of 39 passes for 210 yards but never managed to get over the goal line. The Wave had to settle for two 26-yard field goals by Murray in the last quarter.

Thus Penn State gained its eighth victory of the season against four defeats and 10th bowl triumph against six losses and two ties in 18 of these post-season appearances. Tulane finished this season with a 9-3 won-lost record and suffered its fourth loss to go with two victories in six bowl games.

Washington Wins Over Texas, 14-7

Sun Bowl

By Gordon S. White Jr.

EL PASO, Texas, Dec. 23 (UPI) — The University of Washington converted two Texas turnovers into quick touchdowns to spark the Huskies to a 14-7 upset victory here yesterday in the Sun Bowl game.

Washington scored first on an 18-yard pass from quarterback Tom Flick to Paul Skansi and then on a 4-yard run by Willis Mackey. Both scores came after the Huskies recovered Texas fumbles.

Texas, runners-up in the Southwest Conference, fell behind, 14-0, while Washington had the advantage of a swiftness 30-mile-an-hour

wind in the second quarter. Texas could not come back with its ground-oriented offensive attack.

Late in the first half, fullback Brad Beck took a 5-yard pass from Donnie Little in the corner of the end zone for Texas' only score.

Flick, who took over as starting quarterback eight games into the season, kept the Texas defense guessing throughout the day, mixing running and passing plays.

The victory gave the Huskies, runners-up in the Pac-10, a 10-2 season record. Texas fell to 9-3 for the year.

Tangerine Bowl

By Gordon S. White Jr.

ORLANDO, Fla., Dec. 23 (UPI) — Quarterback Dave Woodley passed for one touchdown and ran for two here last night to lift Louisiana State to a 34-10 Tangerine Bowl victory over Wake Forest in Charlie McClendon's final game as LSU coach.

McClendon, who guided the Tigers to a 9-3 record in the last 18 seasons as coach, is being replaced by Bo Rein, a former North Carolina State coach.

Woodley completed 11 of 19 passes for 199 yards and one interception, and rushed for 68 yards. He scored the game's first touchdown on a 13-yard run midway through the first period to cap an 80-yard, 12-play drive.

Holiday Bowl

By Gordon S. White Jr.

SAN DIEGO, Dec. 23 (UPI) — Cornerback Tim Wilbur picked up a fumbled punt and ran 62 yards for a touchdown early in the fourth quarter Friday night to give Indiana a 38-37 upset victory over previously unbeaten Brigham Young in the Holiday Bowl here.

The big play started when Clay Brown of Brigham Young punted 36 yards from his 26-yard line and the ball glanced off Indiana's Craig Walls. Wilbur, who plays on the Hoosiers' special teams, picked up the ball near the Indiana bench and broke several tackles en route to the touchdown at 6:53 of the final period.

It was the first bowl victory for the Hoosiers, who finished the regular season with a 7-4 record. Their only other bowl appearance came in 1968 when they lost, 14-3, to the Rose Bowl to Southern Cal. BYU, which completed its first unbeaten regular-season, finished the year at 11-1.

Marc Wilson, Brigham Young's quarterback and the nation's offensive leader this year with 3,720 passing yards, passed for 380 yards and two touchdowns, both in the first half. He also ran for a pair of touchdowns.

In a last bid to win the game for Brigham Young, Brent Johnson attempted a 27-yard field goal with seven seconds left in the game, but the kick went wide to the left.

College Basketball Scores

By Gordon S. White Jr.

San Francisco 76, Princeton 57; UCLA 102, USC Santa Barbara 58; Wyoming 104, P.I. Lewis 54.

Southern California 76, Arizona 57; UCLA 102, USC Santa Barbara 58; Wyoming 104, P.I. Lewis 54.

San Francisco 76, Princeton 57; UCLA 102, USC Santa Barbara 58; Wyoming 104, P.I. Lewis 54.

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San Francisco 76, Princeton 57; UCLA 102, USC Santa Barbara 58; Wyoming 104, P.I. Lewis 54.

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Observer

A Case for Dickens

By Russell Baker

NEW YORK — Give me a December twilight in a glittering city, a fine dusty snow falling down on bustling crowds, the tinkle of bells in the air, Rosy cheeks, merry laughter, jolly greetings friend to friend.

But what is this disconsolate shadow trudging unmotivated and friendless through the joyous throngs? Not for him the jolly greeting of friend long unmet. Not for him the merry laughter that betokens the singing harp brimming with contentment.

Let us follow this apparition threading his humble way among so many who seem to know him not and who offer no seasonal salute. Wearily he wends his path to a gleaming black carriage, a veritable limousine. How ill compares its gleaming exterior and richly cushioned interior with the modest shopping bag he clutches.



Baker

And yet, what servile effusions issue from the handsomely turned-out coachman holding the door ajar. With what easy familiarity does our dolorous figure step into the great carriage and settle his weight in the great cushions. With what an air of command does he instruct the haughty coachman to tour the bustling, snowy night.

But who is this second shadowy figure awaiting inside the coach whom he now addresses with the words: "Why doesn't anybody out there care about me?"

"It's this ayatollah business" the other figure gumbles.

The voice, with its phantasmagoric Boston accent, startles the man with the shopping bag. "You are not Santa Claus," he exclaims.

"There is no need to expostulate about it," states the Boston accent. "I am Ted Kennedy, and one of these days I hope to be Santa Claus. Which reminds me, I didn't catch your name."

"Connally," says the man with the shopping bag. "John Connally. They call me Big John, and I'm trying to run for president."

"What a coincidence!" Kennedy exclaims. "So am I."

Then what an outpouring and gushing fills the coach, what cries of lamentation and commiseration as each relates to the other tales of hardship, woe, penury and anguish sustained in their mutual efforts to bring goodness, joy and contentment to the people in this season of goodwill to all.

What execrations they heap upon the black turban of the distant Iranian ayatollah for luring the press, the television and the radio to far away Tehran with his lurid calls of "Death to the Satanic Carter." How they write in despair because the ayatollah, flouting all political justice, refuses to call "Death to the Satanic Kennedy" and "Death to the Satanic Connally," thus denying them the ministrations of reporters and the opportunity to improve their ratings in the polls of the public's esteem.

"This ayatollah cries 'Death to the Satanic Carter,'" laments Kennedy, "but it's you and me, Big John, that are doing the dying."

John Connally flots his joint tears with a wad of monetary bills from his shopping bag, stifling his companion's protests with cries that it is merely the pittance he has been able to amass for his campaign.

"A pittance?" fumes Kennedy with joyous incredulity. "The public journals state the sum to be approximately \$8.1 million."

"In Texas," testily asseverates Big John, "that is a pittance, especially at Christmas time, and any how fella, what are you doing in my limo? It was supposed to be Santa Claus in here."

"Dear friend and colleague," responds Kennedy, "take my presence not amiss. I thought only to do you service. I am here at Santa Claus' request. Discovering that I was unoccupied today because of inability to interest anyone in my campaign, the old gentleman asked me to meet a stranger in this coach and offer his apologies for being unable to keep the appointment. He is totally occupied preparing new polls for President Carter."

In the bustling streets outside, the merry throngs abated their joy briefly as the carriage passed emitting rays of woe, and an old beggar later swore that the very conveyance itself seemed to have a sigh of despair when he extended his hand for a quarter.

The Signs of Wall Drug

Highway Ads for Famed Emporium in South Dakota Collide With Anti-Billboard Law, Gasoline Crunch

By Bob Secor

WALL, S.D. (LAT) — It was in the land of dikes, windmills and wooden shoes that Wayne Broadland of Minneapolis saw it.

There, attached to a light pole beside an Amsterdam canal, the vacationing Broadland spied the wooden sign that informed Dutchmen it was only "5.37 miles to Wall Drug, Wall, South Dakota, U.S.A."

He should not have been surprised. There have been signs advertising Wall Drug on London double-decker buses, in the Paris subway, on the Appian Way in Italy and at the Taj Mahal in India. There were 127 Wall Drug signs in Vietnam during the war years. One was also placed along the cease-fire line that forms the border between North and South Korea.

Over the last five decades, signs have sprung up all over the world promoting Ted and Bill Husted's Wall Drug Store, the biggest business in Wall, S.D., population 800.

Wall, S.D.? It's on the edge of the South Dakota Badlands, about 50 miles east of Rapid City, 40 miles north of Potomac Creek and 75 miles south of Rattlesnake Butte.

It's also right alongside U.S. 14 and Interstate 90, the major highways leading tourists from the east to Mt. Rushmore and the Black Hills. That's where the signs come in.

Ice Water

Ted Husted was barely making a go of the one-room pharmacy he opened in 1931. Then his wife, Dorothy, got the idea that tourists, hot and dusty from their driving under the scorching summer sun, might be lured off the main road if they could get some free ice water.

So, in 1936, the first of the Wall Drug signs, a 12-by-36-inch board, went up east of town. It read:

GET A SODA,
GET A BEER,
TURN NEXT CORNER,
JUST AS NEAR
TO HIGHWAY 16 AND 14,
FREE ICE WATER,
WALL DRUG.

The gimmick worked. Motorists started turning off to visit the store. And as his clientele grew, Husted put up more signs, and eventually there were hundreds of them, boasting about various features of the store, all over South Dakota, and thousands around the nation.

Many of the signs were erected by Husted, but even more were placed by customers, friends and residents of the Wall area on their own vacation trips.

The signs moved overseas during World War II when servicemen started putting them up in Europe.

The store has grown, too. It still gives away ice water and sells drugs, but it also sells clothing, hunting supplies, boots, books, hats and a vast array of knickknacks and doodads for tourists. Popular items include a pottery ashtray made from the mold of a chloroformed rattlesnake and the \$89 Jack-a-lope, a stuffed animal.



Signs have brought up to 20,000 tourists a day to Wall Drug.

that has the body and head of a jackrabbit, the horns of an antelope and the tail feathers of a pheasant.

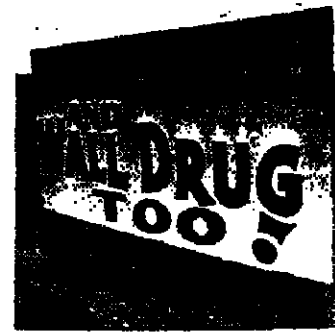
Wall Drug now covers a city block. It has employed nearly 200 persons some summers. It has a 420-seat restaurant, has accounted for half the revenue of the town, has led to the establishment of at least 10 local motels, and has accommodated as many as 20,000 customers during some peak summer days.

"People get a kick out of coming out in the middle of nowhere and seeing a place like this," said Bill Husted, current manager and son of the original owner.

Husted saw a new sign at his store this year — a sign that troubled times were ahead. Gas shortages and high energy prices crippled the tourist industry in South Dakota. Business at Wall Drug was off 28 percent in July from the previous year. The summer-time work force was cut one-fifth. Husted figures gross revenues will fall from \$4 million in 1978 to \$3 million this year.

Billboard Law

But Husted says the U.S. Department of Transportation poses a greater threat to the future of his business than does the down-



Teaser ad for drugstore.

turn in the tourist trade. The department is in charge of enforcing the national Highway Beautification Act of 1965, a pet program begun by President Lyndon Johnson's wife, Lady Bird. The act requires the elimination of most roadside advertising signs and billboards in rural areas.

Enforcement has been slowed because of a lack of funds to purchase and tear down the signs, explained Richard Mueller, chief of the Department of Transportation's outdoor advertising branch. But Mueller said that as long as the law is on the books it is the department's responsibility to rid the countryside of the illegal signs. Husted and other businessmen maintain that such an action would wipe out hundreds of rural shops that tourists would have no way of knowing were in existence.

"Billboard blight is pollution," maintained Mueller, who said shops like Wall Drug could turn to alternative forms of advertising to catch the eye of customers. "Nobody's got the right to pollute the countryside, the scenic vistas. Why should we allow a business like Wall Drug or others to indiscriminately blight the countryside?"

The act has already had some impact on Husted's signs. All of his signs in Minnesota and Iowa have come down. Of the thousands of roadside signs once standing, Husted says, there are now only 228, all but 50 of which are in South Dakota.

Still there are enough Wall Drug signs left to keep one Husted employee working full-time maintaining them. "We also keep one sign company in business," brags Husted, who gives out thousands of Wall Drug signs and bumper stickers each year to customers who place them all over the world.

PEOPLE: Nixon to Pay Part Of Office-Space Cost

Former President Richard Nixon will pay for some of his office space in New York City, an associate says. Under federal law, former presidents are entitled to government-paid office space in addition to a yearly \$69,000 pension. The associate called "totally untrue" reports by government officials that the former president was looking at several locations that could cost taxpayers from \$100,000 to \$280,000 annually. Nixon expects to pay about \$25,000 a year for about 2,000 square feet of office space in midtown Manhattan, said the associate. The government will pick up the tab for an additional 2,000 or 3,000 square feet.

Diving Center in Aurora, Colo. had dived in hoping to break 126 hours, 30 minutes listed in Guinness Book of World Records. But Thursday, a friend, word that a new mark of 141 24 minutes had been set. So under he went.

The management of a King South Africa, drive-in was not last week as hundreds of vengeful tooted their horns, flashed their lights in anger when bare-chested women swam across the screen in this past time mining town's only drive-in. They were being treated to hours of topless women, a rape scene and other scandals that usually don't make it to the censored South African screen. But the premier of "Seven," starring Playboy centerfold Kriger, did not herald a liberating era — it was all a mistake, the usual print of the film was not shipped to South Africa. Johannesburg opening has been delayed until the premier vanishes. Meanwhile, the film Kimberley has been swapped calls from folks asking why film will be shown again.

Wesley Yoshimura, arriving years ago with newspaper, Patricia Hearst Show, transferred from a state prison, Calif., to a halfway house. A spokesman for the state's Department said the would be made within the next weeks to allow Yoshimura to reside in a work furlough program. He said she would live at a mental facility operated by the state of California. Yoshimura, taken into custody with Hearst in 1975 at an age they shared in San Francisco been at the California Institute for Women since July for possession of explosives and arms. She is due for parole August.

Johnny Weissmuller, who in thrill moviegoers with his wrestling and his famous cry, has undergone surgery in pulso to remove a throat. Weissmuller, 76, was reportedly stable condition. He and wife moved permanently from Manila to Acapulco a month ago. —SAMUEL J. JR.

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